

WORLD TRADE NEWS

FRANKFURT MOTOR SHOW

Boost for domestic market

BY ANDREW HARGRAVE

THE MOTOR SHOW which opens in Frankfurt tomorrow for the first time in West Germany for four years will be primarily aimed at reviving the domestic car market which has shown signs of flagging in recent months.

While not altogether pleased with the latest forecast by the IFO Research Institute, predicting further growth for the rest of the decade but at a slower rate, the manufacturers hope that the new or revamped models announced recently as well as the show itself will inspire renewed interest by the buying public.

Unlike the British market where foreign cars have made their major penetration only in the last year or two, the West German one has traditionally been an "open sesame." Over a quarter of all registrations have been imports, with French and Italian cars leading.

Renault share

Renault, with a market share of around 7 per cent has recently topped Fiat whose share has declined to 5.5 per cent in the past 18 months. Chrysler-Simeca follows with around 4 per cent. British Leyland is very much among the also-rans, although its share has been rising from 0.6 per cent in 1971 to around 1 per cent now.

One piece of evidence that British motor and accessory manufacturers are attacking the West German market, particularly in view of the European Community membership, is provided by the large number of exhibitors at the Frankfurt show.

Britain with 98 entries, easily leads the list of 492 foreign exhibitors, ahead of Italy (87) and France (67).

The majority of the 1,200 exhibitors are, of course, from the host country. They have a market to protect. On the Benz, the passenger car front, Opel, General Motors' subsidiary is attempting to hold the substantial lead it has built up (nearly 22 per cent of all registrations in the first seven months of this year) but the



The Ford Mustang II—one of the two brand new models on show.

July figures contain the hint of a come-back by Volkswagen (18 per cent share). Ford's decline has continued this year, with a market share of only just over 12 per cent, 2.5 per cent less than in 1971, while the Volkswagen-owned Audi-NSU, thanks to its successful Audi 80, is coming up fast behind with an 11 per cent share.

The show itself has little to offer by way of brand new models. Only two in the halls come in this category, one the 1,600 cc Beta-coupe by Lancia, the Fiat subsidiary, and the other a smaller edition of the Ford Mustang from the U.S.

New versions

The new Opel Kadett and Volkswagen's Passat (its own version of the Audi 80) as well as three new variations of the "Beetle" are already on the market. The "quality" manufacturers, BMW and Daimler-Benz, will show new versions of the existing models as well as Mercedes replacements while Porsche is to display a study model of a non-rusting, long-lasting (but presumably very expensive) car.

On the economic side, the That is why they have increased

SWISS PLAN FOR PEKING FAIR

BY OUR OWN CORRESPONDENT

ZURICH, Sept. 11.

A total of 182 companies are to participate in a Swiss industrial exhibition to be held in Peking from August 7 to 20, 1974. The show, which will be bigger than those of Denmark, Sweden and Canada last year and the planned Dutch and Austrian exhibitions, will consist primarily of exhibits of machinery, chemical products and watches.

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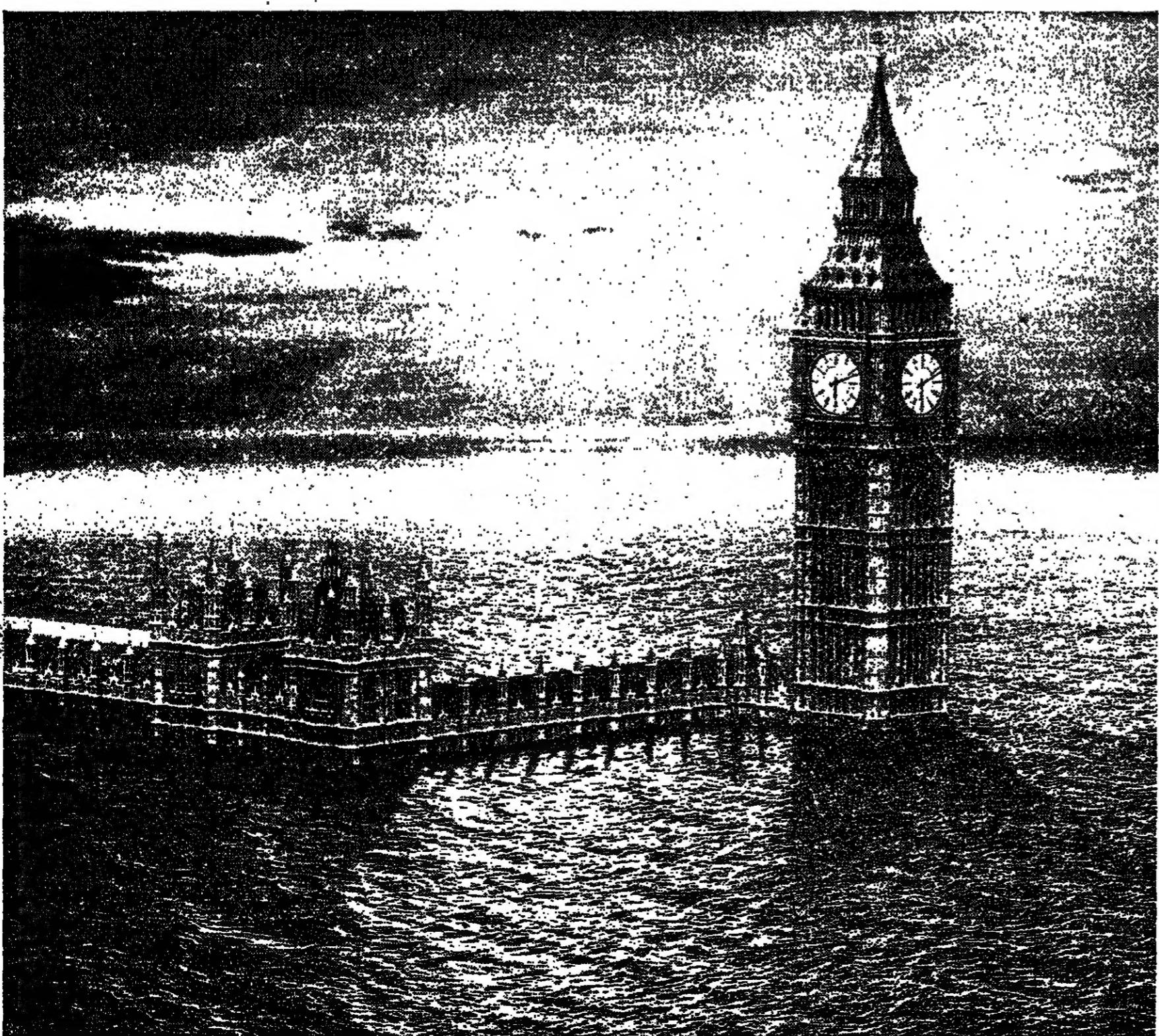
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Japan's steel plant sale to China 'in final stage'

BY CHARLES SMITH

A SPOKESMAN for Nippon Steel, Japan's largest steel manufacturer, told the Financial Times to-day that negotiations are "coming to the final stage" on the part of a Y100,000m. steel mill in China. However, the spokesman denied reports, published in the Tokyo Press, that the contract was already agreed in principle and would be signed on September 29, the anniversary of Japan's "normalisation" of its diplomatic relations with China.

The date of September 29 was not "definite at all," the company said and there was still a chance, though not a strong one, that the steel mill contract might be placed elsewhere.

Difficulties

Nippon Steel claims that certain technical problems are still causing difficulties in the talks with China. The company believes that China is maintaining its contacts with Mannesmann of West Germany which also tendered for the steel plant contract. The Chinese have told Nippon Steel that a German deal

about the full list of Japanese companies which might be involved with Nippon Steel in supplying the steel mill. One possibility is that Kawasaki Steel might gain a larger share of the contract, but Kawasaki is still negotiating independently with the Chinese authorities—not in conjunction with Nippon Steel.

The Chinese are apparently asking for a hot strip mill with a capacity of 3m. tons a year and a cold strip mill with a 1m-ton capacity, both of which would be larger than any existing Chinese installation. There has been no talk yet about the way in which China would pay for the plant.

The Chinese have repeatedly refused to accept bank loans or credit lines offered by their non-Communist trading partners. But this does not necessarily mean that China would reject some form of deferred payment arrangement for the steel mill if it could be convinced that this was standard international practice.

Trade mission

The story of Nippon Steel's Chinese contract broke on the eve of the arrival in Tokyo of a 33-man Chinese trade mission headed by an official of the China Council for the Promotion of International Trade. The mission will be meeting senior Japanese ministers including the Prime Minister, Mr. Tanaka, and will be shown about 50 Japanese

TOKYO, Sept. 11.

industrial installations before leaving on October 10.

Sino-Japanese trade has risen by about 60 per cent so far this year by comparison with the same period of 1972. The increase in Japanese imports in China was faster than the rate of export increase so that China's traditional deficit on its trade with Japan has been closed to some extent.

However, the Chinese are said to be concerned that the gap may widen again when the steel plant and other major pieces of capital equipment start to show up in the figures.

The proposal is perhaps the most significant in the document which is a wide-ranging survey of the new GATT negotiations opening to-day in Tokyo, declared British interests to the firmly an open world economy and call for much closer government industry consultation in it negotiations.

It cites the ineffectiveness of Article 19 of GATT — the existing safeguards clause — as being almost entirely due to governments' reluctance to invoke safeguard measures which must, currently, be applied multilaterally with the attendant risk of political will and retaliation.

However, the study also accepts that discriminatory measures which were too easy to invoke could reduce the benefits of the most-favoured nation clause as it is open to abuse.

Time limit

SEOUL, Sept. 11.

THE SOUTH KOREAN Government has approved a £3.5m. loan from Barclays bank to Hyundai Industries Company of South Korea to help finance Hyundai's shipyard expansion project.

It also approved a \$3.85m. loan from ESAB of Sweden and a \$3.94m. loan from Banque de France to Hyundai for the same purpose.

Hyundai started in July the work to expand its shipyard, being built since November, 1971, at Mipo Bay near the East Coast city of Ulsan, from the initially planned capacity of five 259,000 dwt tankers a year to 10 such vessels. The expansion is to be completed in December next year.

Barclays extended a loan of £6m. last year for the initial project as part of \$4m. loans and credits from five European companies.

If Japan did decide to equip itself with Nimrods it would probably wish to manufacture the aircraft under licence rather than to import it direct from Britain. A further possibility is that Japan might design and produce its own anti-submarine aircraft. But in this event there would still probably be scope for technological tie-ups with British or other Western aircraft companies.

Hawker Siddeley is one of 18 British companies expected to attend the aerospace show, making the British attendance the biggest from any foreign country. Other British companies due to attend include Rolls-Royce (1971), BAC, Short Brothers (which will be showing the Short Skyvan), Britten-Norman which will be showing the Islander, Ferranti and Hunting Engineering.

The British delegation at the air show will be headed by Mr. F. R. Sivson, deputy managing director of Smiths Industries and president of the Society of British Aerospace Companies.

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Notable commercial successes included Lansing Bagshaw who took \$195,000 in confirmed orders and a further \$1,295,000 of provisional orders. This includes business with the Auckland Harbour Board, British Oxygen received \$150,000 worth of orders, for welding and cutting equipment with \$500,000 worth of orders in the pipeline.

Thorn Electrical Industries received \$110,000 worth of orders for electrical equipment, components and appliances. It anticipates a further \$750,000 worth of orders.

The Multilateral Trade Negotiations: An Industrial Assessment. Published by the Confederation of British Industry. 50p.

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EUROPEAN NEWS

Cholera: renewed concern as more cases reported

BY PETER TUMIATI

THIRD CASE of cholera has been used as a quarantine station occurred in the Rome area. It is for the relatives of cholera victims a young labourer of the patients. The Naples and Bari authorities have appealed to the market who is stated to be a local population to submit to a carrier of the disease because, a second inoculation against cholera appearing not to be cholera. In Naples, at least nine people who had been inoculated effected by it himself, examined as he had been subjected to something quite different) were contracted the disease all the same.

The cholera outbreak is continuing to be a source of grave concern here and its economic repercussions are being felt even in areas where no cases of cholera have been reported. The Naples authorities have cancelled all public celebrations due on September 18 and 19 for the patron saint of the city, Saint Januarius. In Bari, it is feared that after the postponement of the opening of the International Levant Fair from September 7 to 22, this year's fair will be cancelled.

Success in slowing Italian inflation

By Anthony Robinson

ROME, Sept. 11.

THE ITALIAN Government's three-month price freeze announced on July 24 appears to have scored a limited success in halting the cost-of-living index which is less than half the rate throughout the preceding months. Rises averaging around per cent. per month over the past eleven months, however, brought the index to a point 11.1 per cent. above last August's level.

The future course of prices, if indeed the success of the new two package of economic measures designed to follow on from Phase One price freeze, is now at an extremely delicate stage as the Government comes up with its first major confrontation with trade unions in the public sector.

Unions representing some 20,000 State railway employees and a similar number of railway pensioners are demanding a flat L40,000 per month rise in wages and a L10,000 per month rise in railway pensions and better improvements. The Government will not be able to handle this without going over a self-imposed budget deficit.

Like the negotiations for postal and telephone workers, now reaching their conclusion, the railway workers' claims are long-standing ones which have been postponed. At this stage the Government seems to be prepared only to raise minimum salaries by L40,000 and is reluctant to offer any promises to the unions.

The threat of a railway strike which is hovering in the background clearly represents a danger to the new-found dynamism of Italian industry which registered a 15 per cent. rise in output in July. Substantial improvements for the railwaymen could almost certainly set off a chain of similar requests from other sectors of the vast public service sector. It is to avoid such leaping from the Government is trying to get the Railways to accept increases in line with those agreed several months ago with other State employees.

Italy acts to curb widespread evasion of VAT

By Anthony Robinson

ROME, Sept. 11.

AGAINST the background of a considerable shortfall in receipts from the value added tax introduced at the start of this year, Finance Minister Emilio Colombo has announced tighter controls to check widespread evasion.

The difficulties of policing the new tax have been complicated by the mass exodus of many civil servants and tax experts in the Ministry following the recent bureaucratic reform measures,

which allowed early retirement on a golden handshake basis to over 6,000 senior civil servants. However, stricter and more systematic controls over the administration of the new tax and the discovery of the principal forms of evasion before they become hardened into a habit have now been worked out involving the Guardia di Finanza, an elite corps of fiscal and customs police.

Estimates of the amount of evasion issued by the Ministry show that over the first seven months of this year VAT revenue was Lire283,700m. (about £200m.) below estimates. This was in spite of a rapid rise in prices and of industrial production during this period which should have boosted tax revenues.

Significantly, VAT revenue imposed automatically on imported goods and the products of State monopolies such as tobacco and salt rose Lire182,200m. above estimates.

The amount of tax raised on domestically produced goods and services, however, fell Lire476,700m. below estimates.

The tougher control measures now proposed are aimed at reducing this widespread evasion prior to going ahead with the partial tax amnesty which is now being prepared in order to clear the decks of outstanding contested direct tax cases prior to the introduction of the direct tax reform next year.

There is also the feeling that social reform has long been much talked about but that little concrete has so far emerged. And, of course, there is the rising cost of living—at almost 8 per cent. a horror by West German standards—and the most extreme reaction to it so far, the wildcat strikes in the Ruhr.

To cap it all, there has been the spectacle of leading SPA figures up before the Parliamentary Committee probing political

BRANDT AND THE SPD**A way strewn with pitfalls**

BY JONATHAN CARR IN BONN

CHANCELLOR WILLY Brandt to-day holds his first major press conference for almost a year and has announced in advance that he wants to talk in particular about internal West German affairs. One reason for his choice of subject may well be that he is out to disprove the oft-repeated criticism that his preoccupation with foreign policy has led him to neglect matters

bribery allegations. Nothing has been proved but the affair is leaving an unpleasant taste which inevitably affects the way in which the Government is viewed. The SPD's vaunted uprightness and sense of social mission seems, in the process, to have been diminished.

If Herr Brandt were a less im-

pressive leader of party and country when he were active. At least part of the difficulty

drawal from NATO. Resolutions to this effect were passed at the Juso congress in March only to be overturned at the full SPD Congress a month later. But the Jusos—there are some 350,000 junior coalition partner was trying to impose its will on the majority. The FDP felt part of the SPD was veering much too far to the left. Elsewhere in some major cities, the clashes have involved not an FDP-SPD coalition but a straight dispute between the SPD's own extreme wings.

The controversy in North Rhine-Westphalia has clearly shown that if there were to be a local election there now, the SPD would lose 12 of its 90 seats—all to the FDP. Tolls at national level have tended to conflict on the popularity or otherwise of Herr Brandt's party. But there seems to be general agreement that Herr Scheel is more popular than ever.

All this at home is taking place against a background of foreign policy less clear in its achievement than in the Chancellor's first term. The main part of the bilateral Ostpolitik has been achieved, and the finishing touches have now run into difficulties, apparently originating in Moscow.

The issue of European unity and the Common Market is being stressed—but it is more difficult to raise enthusiasm for this among a population which tends to feel that whatever European solution is found, it will probably have to foot the bill for it.

The picture is not wholly black. Herr Brandt has announced an intense Government work programme for the next few months. The Government stability measures may be seen to be having their effect early in the new year. A major success for Herr Brandt when President Nixon comes to Europe—if he comes—will help too. But it looks like a way strewn with pitfalls—for Herr

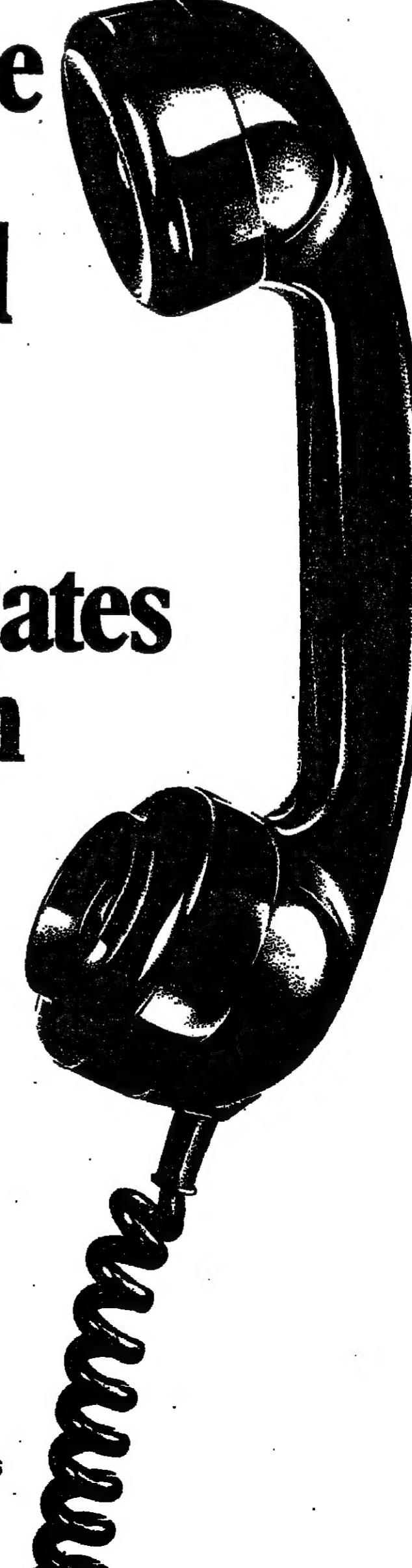
Scheel's party (FDP), which is in coalition with the SPD, has constantly warned of the danger from the radical left—not the Jusos only but all SPD ultra-reformists. This is not to say the coalition is now in any immediate danger of breaking up. But in the last few months the Christian Democrat (CDU) opposition—with a new leadership since June—has reserved its major attacks for the SPD, not the FDP. The CDU is clearly taking care not to upset unduly a party which could once again become a potential partner if strains within the Government coalition grow more intense in the months to come.

One sign of strong differences has already appeared in the country's most populous state of North Rhine-Westphalia, itself governed—as at federal level—by an SPD-FDP coalition. The Brandt and the SPD



TERRY KIRK

Herr Willy Brandt who is to give a Press conference to-day.

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OVERSEAS NEWS

Cairo summit discusses reviving eastern front

BY IHSAN HUJAZI

THE EASTERN front against Israel and the role of the Palestinian guerrillas in it were among the five main subjects on the agenda of the tripartite summit conference in Cairo, according to the Egyptian daily Al Ahram. President Sadat of Egypt, President Amin of Syria and King Hussein of Jordan returned from their talks today.

Quoted by Radio Cairo, the well-informed newspaper listed the other three topics as the general Arab situation, chances of ensuring a common Arab plan of action in the Middle East problem and co-operation among the Arab States which are in direct confrontation with Israel.

Aside from the reconciliation with Jordan, the Cairo meeting, observers here believe, brings Sadat to Phase Two of his campaign for an inter-Arab plan aimed at strengthening the Arab position in the conflict with Israel. Phase One was in President Sadat's recent secret visit to Saudi Arabia which was followed by the Saudi campaign, led by King Feisal threatening to cut off oil to the U.S. if Washington did not revise its Middle East stance.

In Phase Two, observers see President Sadat seeking to secure stronger inter-Arab relations by being part of the overall eastern front instead of being part of Jordan. But it is not yet clear what position the guerrillas would have in Jordan after the movement.

The guerrillas have again expressed suspicion over the Cairo summit. An article in the weekly *Falastin al Thawra* (Palestine Revolution), which speaks for the Palestine Liberation Organisation, to-day warned that King Hussein was trying to trick Egypt and Syria into believing that he was changing his policy. All the king wanted,

BEIRUT, Sept. 11.

military co-operation against Israel, Jordan, with the longest ceasefire line with the Israelis, can play a major part in this co-operation.

Hence the concentration on reactivation of the eastern front which, in effect, means closer military co-operation between Syria and Jordan and having King Hussein agree to the stationing in Jordan in future of troops from other Arab states.

Al Ahram's report to-day suggested the question of whether the commando return to Jordan was being considered within the framework of reactivation of the eastern front and quoted sources as saying that this indicated a compromise with Amman.

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the form which regional autonomy should take. It was the referendum that should have rejected by the Government.

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The new crisis in Baghdad-Kurdish relations has been brought about by a combination of factors, in particular the Government's attempts to pursue the KDP into joining the National Front that was formed this summer between the ruling Baath Party and the Iraqi Communist Party; its continued attempt to "Arabise" the oil-rich Kirkuk area in advance of the referendum that should have rejected by the Government.

The KDP says that the gas is being supervised special training programmes in its use to ascertain whether this Hizwa, or province, should be part of the planned autonomous Kurdish region; and its failure to implement the accord.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

• OFFICE EQUIPMENT



At Venray in Holland, a complex piece of gauging equipment is used to ensure that the upper and lower halves of the Xerox 3100 are perfectly aligned during assembly.

Faint originals copied clearly

LATEST in the second generation of copiers announced yesterday in Paris by Rank Xerox, the Xerox 3100, is a compact flat-plate copier particularly suitable for the smaller user, and for decentralised copying in large organisations.

The 3100 is extremely simple to operate, and the controls, all of which are self-explanatory, have been kept to a minimum. It is very quiet, and can be used wherever an ordinary 13 amp power point is available. A wheeled stand enables the machine to be moved from office to office, and provides useful storage space. Whatever the pressed.

original, copies are of high quality, with good contrast. A magnetic brush developing system ensures consistent results whether the originals are black and white or coloured, typed, written or drawn, solid blacks or half-tones.

Aligning an original on the flat-plate is easy, since it is only necessary to place it face downwards in the top left-hand corner. The document can be any size up to 8½ inches by 14 inches (21.6 cm by 35.6 cm). Any number of copies up to 99 can then be selected on a dial, set for the lack of contrast in the original.

Because the platen is at the edge of the machine, bound volumes can be copied right up to the spine, without the need to force the pages apart and without distortion of the image. The double-hinged platen cover can be closed with a bound volume in position.

Like all Rank Xerox copiers, the 3100 prints on plain unsensitised paper. A special feature is the interchangeable paper tray. This will hold up to 250 sheets in any paper size from 8 inches by 10 inches (20.3 cm by 25.4 cm) to 8½ inches by 12 inches (21.6 cm by 35.6 cm).

Today, in London, the company was to have launched its Xerox 6500 colour copier for the European market, but called the presentation off at short notice.

Reasons given by the company were unexpected difficulties in "Europeanising" a complex piece of equipment built to U.S. practices and standards; equipment which, moreover, was a new departure from xerographic techniques.

It is understood that the presentation will be postponed till the company is satisfied that modification of the units to conform to European requirements is to a maintainable high standard.

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object in horizontal lines in the same way that an electron beam does in a cathode-ray tube. The reflected light at the instant of each picture element is detected by a pick-up tube mounted adjacent to the projector. After processing, the signals comprise a video signal for display on a CRT.

The scanner could have a number of other applications says RCA, including scanned optical radar, computer print-out, optical memories and image storage.

Since TV vertical speed is relatively low a conventional oscillating galvanometer-driven mirror is employed to deflect the beam vertically. The fast moving horizontal deflector is an anisotropic Bragg device, constructed out of a paratellurite (tellurium dioxide), it is capable of scanning up to 15,750 lines per second.

In developing the high speed deflectors the laboratories found it necessary to devise a cold press bonding technique for attaching transducers to the tellurium dioxide crystals. A capability for producing high purity crystals has also been developed.

A limiting resolution of 3,000

TV lines can be achieved with

a deflector having a useful

optical aperture of only 0.5 cm.

The device operates at low rf

power levels and thus can be

used by teachers and instructors

compatible with integrated

circuits.

The camera consists of a beam

scanner which scans a "live"

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CEGB seeks aid for next nuclear power station

BY DAVID FISHLOCK, SCIENCE EDITOR

THE Central Electricity Generating Board is pressing for Government "launching aid" for the next British nuclear power station unless the choice is an off-the-shelf light water reactor.

The case will be put to the Nuclear Power Board, the body appointed to oversee nuclear decisions in Britain, when it meets under the chairmanship of Mr. Peter Walker, Secretary for Trade and Industry, later this month.

The generating Board was anxious that the cost of a first-of-a-kind nuclear power station should not fall heavily on the electricity consumer. Mr. Arthur Hawkins, chairman of the CEBG, said in London yesterday.

Coal needs

Harold Bolter, Industrial correspondent, writes: Discussing the prospects for coal, Mr. Hawkins stated that CEBG consumption in 1973-74 would reach 68.69m. tons, compared with 62m. tons in the previous year.

Discussions have been taking

place with the National Coal Board on the CEBG coal requirements, and its availability in the early 1980s. A joint statement is expected next month.

Mr. Hawkins revealed that a contract is to be let for the design of a new 2,000 MW coal-fired station, West Burton B, in Nottinghamshire.

No commitment has been made to the construction of this project, but its likely cost can be compared with that of a similarly sized oil-fired station at Killingholme in Lincolnshire, for which a design contract is also being placed.

Mr. Hawkins added that Killingholme remained as the logical choice for a new fossil-fuel power station to be ordered in 1974.

In addition, the CEBG hopes to be able to order at least two more major power stations next year—the Dinorwic hydroelectric pumped storage plant in North Wales and one or two nuclear stations.

Vickers modifies mini-sub hatch lock system

BY JAMES MCDONALD, SHIPPING CORRESPONDENT

VICKERS HAS taken action to modify the locking arrangement of the hatch of the after compartment of its three mini-submarines, Pisces I, II and III, following the Pisces II rescue drama at the start of this month.

Meanwhile the Department of Trade and Industry is gathering information about submersible vessels from other countries, including the U.S. and Canada, and will decide future policy for these vessels in the light of the further inquiries being made by Vickers Oceans into the Pisces III incident.

In his letter to Mr. Prescott Mr. Onslow says that although these vessels have been employed by Vickers for almost five years "this is the first serious incident involving the Vickers' vessels which has come to our notice and it seems doubtful whether it was the sort of accident which legislation would have prevented."

"I have also noted that there are proposals to introduce more submersibles to Britain shortly and that it seems unlikely that these will be all the Pisces type." For all of these reasons I should prefer to keep an open mind on the question of statutory safety requirements at present.

He pointed out that the DTI surveyors will continue to work in co-operation with Vickers in the evaluation of the recovery and rescue operation. "I think therefore, that we must now await the outcome of these further inquiries and decide on our future policy in the light of this."

The hatch modification follows the recommendation of the preliminary inquiry by a team of investigators from Vickers Oceans, the owners, and Department of Trade and Industry surveyors. The team established that the fouling of the after hatch on Pisces III by a tow-rope during a normal recovery operation had possibly caused the hatch to become unlocked and released.

A small build-up of pressure in the aft sphere, due to ballast changes during surfacing could have been a contributory factor. This build-up, plus motions of the submarine on the surface, could have been sufficient to dislodge the hatch if the fouling rope released the locking mechanism.

The measures are unlikely to make much difference to the widespread forecasts of an over-supply of office space in the city within the next couple of years since finance has already been committed on almost all the existing schemes, which should therefore be completed at the expected times.

Under the controls, which were announced three weeks ago and are being digested only now with the end of the holiday season, banks, insurance companies and mortgage groups

have all agreed to restrict the level of their lending to a quota fixed in relation to their lending last year.

Since some banks are already near their limits on this basis and face penal interest rates if they lend above their ceilings, the amount of new lending will be restricted for most of the rest of the year.

The main impact is likely to be on foreign groups negotiating acquisitions in Brussels. Many

are likely to take a second look at their projections given the

Credit controls likely to slow U.K. developers in Brussels

BY PETER RIDDLE, PROPERTY CORRESPONDENT

BRUSSELS, September 11

A SLOWDOWN in the recent rapid rate of expansion of number of marginal schemes by British property activity in may be abandoned.

Brussels is likely following the announcement of tight credit controls by the Belgian Government.

Limits on the level of lending and the related rise in interest rates could restrict British developments, since a large proportion of the funds for the 50 or so U.K.-owned projects in the city has been raised locally.

This trend should not be exaggerated since a number of projects are still being arranged, even if the developers are more cautious and selective than before. At least half-a-dozen sizeable office deals in the city have been agreed in the last three months, but have not yet been announced in the U.K.

The new controls are a complicating factor here, and a number of U.K. property companies are already known to be looking for ways round.

One approach is likely to be the use of Bank of England rules which allows up to £1m. of capital per project per year to be exported from the U.K. without being subject to premium controls.

While this should cover a number of smaller schemes and the phased payments on certain larger acquisitions, companies still face the problem of raising finance in the U.K. at interest rates of 14 to 15 per cent.

Certain companies are apparently considering linking next year and in 1975.

More optimistic

The restrictions have come at a time when some observers of the Brussels market are taking a slightly more optimistic view of the lettings situation.

While no one doubts that there will be an over-supply some firms within the next two years, managers now believe it will come in the summer and autumn of 1975 rather than towards the end of next year as originally expected.

This is because, while pre-let supply is still as high as demand, is stronger than anticipated with an increasing amount of pre-letting activity.

The major unresolved question is whether the demand will continue rising at the current rate, but in any event an over-supply seems likely given the number of schemes due to be completed next year and in 1975.

Statement soon on broker's suspension

BY NICHOLAS OWEN

THE CITY Takeover Panel is expected to issue a statement in the next few days on circumstances which led to a stockbroker being suspended and his firm censured by the Stock Exchange last month.

The exchange announced the disciplinary action on August 29. It did not say which shares were involved, but the panel will confirm that the deal was in Birmingham Small Arms shares.

Action was taken against Mr. Ralph Clarke and the firm of Chapman and Rowe after failure to give the exchange information about an overseas client who netted a £700 profit on a "bear" transaction.

In March, on a day when BSA's share price fell sharply, a

line of BSA stock was sold early on for £2,624 and repurchased later at £1,924.

Chapman and Rowe stressed in a statement that the client had not acted improperly, and said that neither Mr. Clarke, nor the firm, obtained any pecuniary advantage from the unusual commission charges.

The SE told its members in a private notice that hearings on the case had taken place before the Exchange Council on April 2 and before the Takeover Panel on May 21.

Lord Shawcross, chairman of the Panel, has taken no part in this inquiry as he was chairman of BSA until July, when Mr. Dennis Poore took over on the merger of BSA's motorcycle interests with those of Norton Villiers.

Honeywell plans 350 cut in Scottish workforce

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

EDINBURGH, Sept. 11

HONEYWELL to-day announced it will be affected by the changes which are being introduced in its three Scottish computer and control-systems factories in Lanarkshire.

Over a six- to nine-month period, some 350 jobs at the fac-

tory will go on to establish what lessons were learned from the rescue operation. It is not expected to be completed before mid-October and then a further statement will be made.

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It is important to note that these are year-on-year changes.

As the economy recovered from the high unemployment levels of the 1971-1972 winter, output expanded fast. The rate of expansion through the year—between the fourth quarter of 1971 and the same quarter of 1972—was about 5 per cent.

One main feature of the year was the sharp rise in consumers' expenditure, which went up by 5.9 per cent. in volume (12.7 per cent. before allowing for price increases) compared with 2.6 per cent. the previous year and an average rate of growth of 2.2 per cent. between 1962 and 1970.

The income going to the personal sector—via wages, rents and special security benefits and after deduction of tax and contributions—rose by 13 per cent. between 1971 and 1972. After

allowing for higher prices, the increase in "real" personal disposable income was 6 per cent.

nearly three times as great as the rate of increase in the previous year.

Over 68 per cent. of total domestic income (that is, income from employment and self employment, gross trading profits of companies, gross trading surpluses of public corporations and other public enterprises and rent) consisted of income from employment, mainly wages and salaries.

Although a little below the

percentage in the previous two years, this was half a percentage point above the average share over the years 1962 to 1969.

On the other hand, company

profits—at about 12 per cent. of total domestic income—were a similar proportion to the

previous two years but over two percentage points below the

average for the 1960s.

U.K. gross national product rose to £965 per head last year

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE U.K. gross national product last year amounted to £81,940m. or £965 per head of the population, according to figures released by the Central Statistical Office this morning. The gross national product is a measure of the total income of residents of the U.K.—before depreciation and including income from abroad.

Last year's per capita income of £965 compares with a revised £878 in 1971. It reflects an 11 per cent. increase in nominal gross domestic product (the total value of all the goods and services produced within the U.K.).

But in real terms—that is, after allowing for price increases—the rise was 1.5 per cent. as measured by expenditure data, or 2 per cent. by the average of expenditure, income and output figures.

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average for the 1960s.

(a) Annual average

In absolute terms company gross trading profits rose by 14.5 per cent. between 1971 and 1972, after being flat between 1968 and 1970, and rising 8 per cent. in 1971.

In both 1971 and 1972 the increase in the money value of stocks is reckoned to have accounted for two percentage points of the profit rise. After stock appreciation, therefore, the rise last year was about 12.5 per cent.

The effect of higher rents reflected in a long-run increase from 10.3 per cent. to 13.4 per cent. in the percentage of consumers' expenditure going into housing between 1962 and 1972.

Another significant advance brought out in the statistics is the greater amount of non-devoted to owning and running cars—up from 8.1 per cent. to 9.9 per cent. over this period.

National Income and Expenditure 1973 (The Blue Book); and in the latter part of this 85p.

EXPENDITURE GDP—PERCENTAGE INCREASES

Current prices Constant prices

1962(a) to 1970 to 1970 1971 1962(a) to 1970 to 1970 1971

to 1971 to 1972 1972 to 1970 to 1971 1

(i) Consumers' expenditure 6.5 10.9 12.7 3.2 2.6

(ii) Public authorities' current expenditure on goods and services 8.8 13.7 13.2 2.0 3.7

(iii) Gross domestic fixed capital formation 7.9 9.5 11.0 4.3 0.5

(iv) Exports of goods and services 8.2 12.2 5.5 5.1 7.1

Total final expenditure 7.2 10.9 13.5 2.9 2.8

(v) Imports of goods and services 8.0 9.7 13.4 4.5 4.8

Expenditure GDP at factor cost 6.5 12.6 11.0 2.7 2.1

(a) Annual average

period there were cash transfers to the company sector in the form of investment grants.

The pace of inflation is shown by the fact that total gross output increased by nearly 10.5 per cent. between 1971 and 1972, compared with an average of 3.5 per cent. in 1963 to 1969 and 10.3 per cent. between 1971 and 1972.

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this year we'll be forming a new merchant bank in Hong Kong.

The result: our International Division has more than \$5-billion in loans on its books. These range in size from a \$77-million loan for roads and railways in Brazil, to loans of several thousand dollars to small businesses.

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James R. Greene, Senior Vice President and Deputy General Manager



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The sales volume of Chemische Werke Hüls AG rose by 7.5% — evidence of the good demand for our products. The turnover growth of the Hüls Group of 1.5% to DM 1,499 m turned out less mainly due to currency changes. The upturn which became evident from the autumn of 1972 has continued. During the first six months of 1973, turnover rose by 20%. This also puts Hüls on the road to achieving a good result, an objective whose achievement depends not least on overall economic developments.

DM 206 m

The Hüls Group invested during 1972. To safeguard future competitiveness, investments of DM 319 m and DM 347 m had previously been made in 1970 and 1971. Meanwhile a number of new plants have come into operation. These capacity extensions already yielded positive results at the beginning of 1973 and will become fully effective by the end of 1973.

Despite the partially extended capacity, there are delivery difficulties with some products. But we shall make every effort to remove bottle-necks.

Continuing the environmental protection measures carried out for 30 years, in 1972 for this purpose

DM 27 m

were spent. DM 9 m of this were pure investments. The actual expenditure was even greater. Many measures for the protection of the environment form part of the technology of the plants and therefore cannot be accounted for separately. DM 14 m alone were spent on improving the exhaust-air condition of our power supply.

34.5%

of the CWH production was exported in 1972. From October 1972 an increase in demand began which for many products rose by leaps and bounds in 1973. Thus the share of exports during the first half of 1973 reached about 37%. This promises further improvement in turnover and profits.

1973

will certainly not bring a yield bonanza because the investments, whose costs had encumbered the results of 1971 and 1972, are only partly offset in 1973 through these new plants. In addition, there is also the effect of the rationalization investments which contribute towards increasing the profit potential of the company. The upward trend, however, emerges clearly from a comparison between the results of the first six months with those of 1972. For the second half of the year, too, we expect fully utilized capacities and growing demand in important segments. When, for instance, the new 400,000 ton a year ethylene plant, built jointly with Veba-Chemie, and the new natural gas power station start up at the end of 1973, a further important step will have been taken.

So Hüls is in a favourable position. To see it stay that way, we have the support of 15,000 of the employees of the Hüls Group. Among them are 350 chemists and physicists, 500 engineers, 1000 technicians and laboratory staff, 2000 sales staff and 1000 foremen and 3500 skilled workers. Together with all the other occupational groups represented in the works, they contribute their share to the continued development of the company.

hüls

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Represented by:
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Eastbury House - 30-34 Albert Embankment
London S.E.1

GARDENS TODAY

Convolvuli in September

BY ROBIN LANE FOX

SEPTEMBER is the month when bindweed are little known, unpopularity but extremely well behaved and very beautiful. I will tantalise you with two of them.

The finest is worth the small trouble of preserving it through cuttings taken each autumn and winter away from the frost. The North African Bindweed, *Convolvulus Mauretanicus*, was looking just as pretty when I saw it at Sissinghurst in late June as it now does in the rock garden at Kew.

The equivalent, here, is the wonderful Morning Glory, still better known for the absurd

curiosity about the hallucinatory powers of its seeds than for the vibrant blue funnel flowers.

Like the big white twiner it is not a Bindweed but

has a different Latin name, in

this case *Ipomoea*.

1973 has been a rare season for

Morning Glory, just when I

failed to order any seed.

Visions to the Mediterranean should

be diverted by memories of

white-washed walls smothered in

blue Morning Glory; in England,

even in this summer, I think the

Morning Glory is best as a com-

mon giant, sown under glass

or in a warm kitchen, and

potted up one to a pot in May,

then placed outdoors in June

with a tripod of bamboo canes

and wire or wire netting to

encourage it out of a pot which

should be five inches wide or

more.

Its fleshy roots respond

to liquid manure but if fed too

on into summer it tends to be

rather than flower. It must

stand in the sunniest possi-

ble place both to keep its flow-

er open for their very brief life

and encourage buds to form.

Long season

Its season is long, especially in a warm summer, and its typical chalk-blue flowers are a distinctive colour which mixes well and always attracts

interested comment. On top of a dry wall, for example, it would enjoy the sharp drainage and tint into a carpet some two feet wide, frost permitting; another home might be a pot or urn where it could fall over the edge and make a pleasant alternative to the usual ivy-leaved Geraniums.

Plants for pots are one idea we can borrow from grand public gardens and use appropriately at home. I have already noted down the use of Saint Bruno's Lily, a small white-flowered climber of great merit, a rusty orange musk called Mimulus Glutinosus and the smaller field Bindweed.

The latter brings me once again to Bindweed's foreign cousins: there is a particularly pretty silver-leaved *Convolvulus* called *Cheorum*, after (I believe) a Spanish aristocrat whose name was *Cheor*. It must be treated with care, for winter wet and extreme cold will kill it. Try planting it in very gritty earth in a pan or grouping it in one of those shallow urns that are popular but so difficult to garden satisfactorily. It will then delight you with the pink flowers of a refined field Bindweed and a nine-inch clump of startlingly silver leaves. You can buy it, like most silver plants, from Mrs.

the brothers and sisters of our field

cousins: there is a particularly

pretty silver-leaved *Convolvulus*

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WEDNESDAY SEPTEMBER 12 1973

A European identity

ON THE face of it, the meeting of European Community Foreign Ministers does not appear to have achieved anything very startling, or to however wordy and insubstantial the first sketch may look, which has been generated in Copenhagen. The Ministers made some progress on a statement of the "European identity," agreed on a list of ten topics which they would be prepared to discuss with the United States, and adopted most of a draft text which could be the basis of a joint Community-U.S. Declaration.

"But it is difficult to imagine that the definition of a "European identity" will be more than a relatively anodyne form of words which, if it satisfies all nine member states, is unlikely to do more than paper over their different conceptions of the nature of the Community.

Phrases

Much the same goes for the draft Europe-U.S. declaration, which may well contain fine sounding phrases, but is unlikely by itself to bring about a new era in trans-Atlantic relationships. The preparation of a list of ten topics for discussion with the U.S. is a more constructive and more practical step; but it remains to be seen whether the detailed examination of these topics will produce an agreed European position, let alone lead to any agreement with the U.S.

Yet these carping criticisms, though justified as far as they go, miss the point. Ever since the spring the United States has been asking for a dialogue on trans-Atlantic problems with the European Community, and the French have consistently opposed the idea of any such dialogue. Now, quite abruptly, the French have changed their minds, and the Copenhagen meeting can not unreasonably be seen as the start of converted foreign-policy making by the Community. It is, of course, only a start: the proof of the

pudding will be in the eating.

But the French once having put their weight behind the idea of a European foreign policy, will find it more difficult to dis-

regard the precedent set in Copenhagen.

The reasons for the French change of position are not far to seek. For some time they have been worried about the long-term implications of the German Ostpolitik, and the risk (as they have seen it) that Bonn would lose interest in the Community. They may well have calculated that the idea of a Community foreign policy might have considerable appeal in Bonn, and might even serve to counterbalance growing German resentment at the costs of the common agricultural policy.

Conflicting priorities

The French have also been worried by the development of U.S.-Soviet relations, notably in the context of the bilateral Strategic Arms Limitation Talks, and most recently by reports that the U.S. is preparing to support Soviet demands for a rapid conclusion to the European Security Conference.

They may well hope that a trans-Atlantic dialogue can be used to exert pressure on the U.S. to pay more attention to European wishes.

Reform

Finally, the French evidently believe that the U.S. is now backing away from any early reform of the monetary system and is in no hurry to see an abandonment of the dollar system. Until there is some sign of real progress on monetary reform, the French are determined that the U.S. shall be offered no concessions in the trade negotiations, and in Tokyo they are fighting a hard battle to this effect. But it is a battle which needs a united Community front, and co-operation in Copenhagen may well help them secure this.

The consequences of price control

THE CONSEQUENCES of a lengthy period of price control on nationalised industry finances are clearly demonstrated in the annual report of the Electricity Council, published yesterday. With net assets of £5,288m., the electricity supply industry showed a profit after interest in 1972-73 of a mere £2m. Since total costs during the year rose by £185m., revenue remained inadequate and fell a long way short of meeting the financial objective of a 7 per cent. return on net assets which had been agreed with the Government for the five-year period 1969-74. At the end of March 1973, the industry was £334m. short of the cumulative financial objective, and had no hope of achieving it.

Domestic tariffs

The Council estimates that price restraint imposed by the Government between 1970 and 1973 has cost the industry at least £165m. Sir Peter Menzies, chairman of the Council, pointed out yesterday that over the five years to April 1973 domestic electricity tariffs had increased by only 19 per cent., while the retail price index had risen by 41 per cent., coal prices by 50 per cent., weekly earnings by 66 per cent., and the cost of building a power station had about doubled. The industry, said Sir Peter, was now selling electricity below cost.

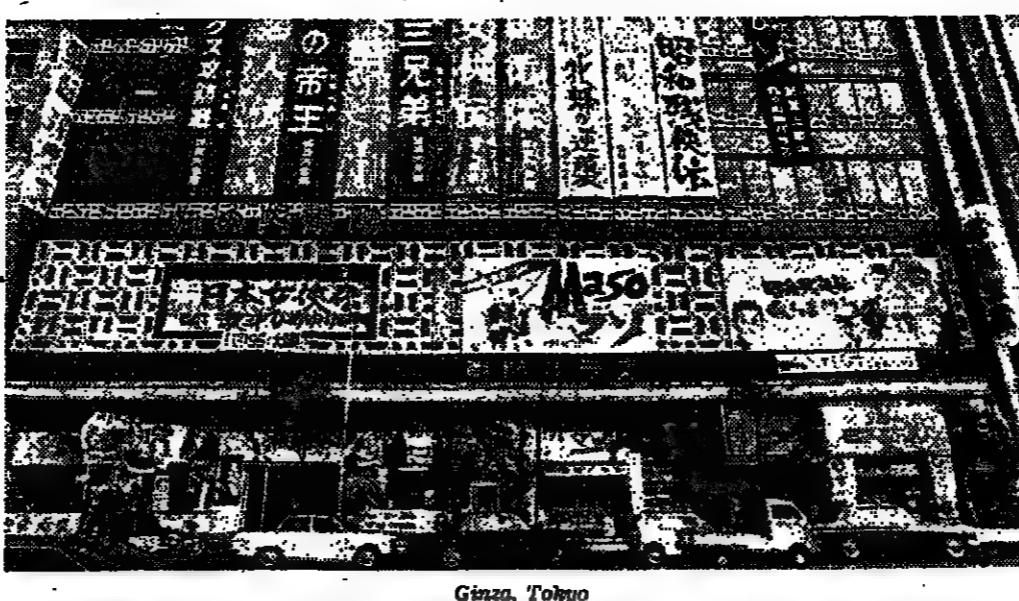
Clear distinction

Third, a new set of financial objectives must be established for the next five-year period. Whatever precise targets are laid down, the arrangements must ensure that where the industry is required by the Government to support a "public interest" objective, the costs of doing so are separately identified and reimbursed. Without a clear distinction between commercial and non-commercial activities, the confusion of objectives which has proved so damaging to the nationalised industries will persist.

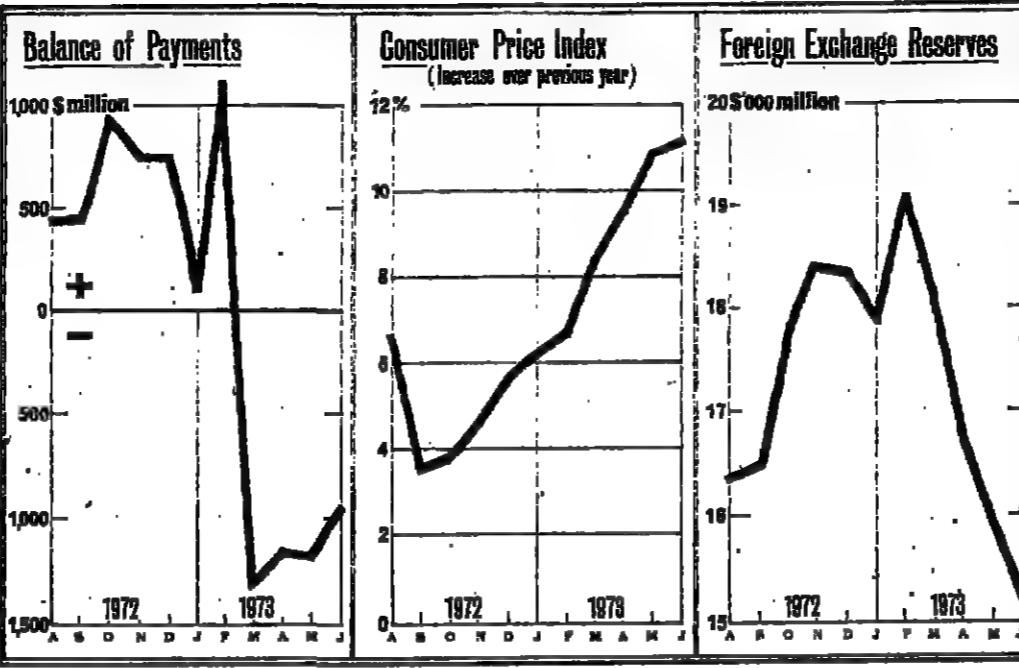
Three steps are required. The first is to establish as

Japan: in balance now abroad but overheating at home

From CHARLES SMITH, Far East Editor, Tokyo



Ginza, Tokyo



Conflicting priorities

The essence of the problem is that Japan has been caught in a tangle of conflicting economic priorities. The Government, urged on by its electorate to expand its own share of economic power into its own hands, has been promoting a plan for the "restructuring of the Japanese economy" which would shift resources away from private capital and investment towards public spending on welfare projects and on infrastructure.

The plan has the advantage that Japan desperately needs to make good shortcomings in its public services which are as a whole the ratio of inventories to shipments is at the lowest level ever recorded in developed Western countries.

It also has the merit of promising to reduce the resources being devoted by industry to the excessive increase of export capacity.

But it has had the drawback of being launched at a higher than a year earlier at the end of July.

But what really bothers the key industries: steel, chemicals per cent. at the end of August beginning of 1973.

Analysts who have been studying the effects of the latest interest rate increases from all this may be that the

Government is at last making start to damp down the industrial investment boom. On the industry to cut down on its rough calculation there is now investment plans—at least for only a 1 per cent. margin the immediate future.

Japanese between the rate paid by prime economic forecasters now expect industrial borrowers for their slacker rate of growth (to the

investment capital and the profit extent of one or two percentage points) in the first quarter of

their new investments. For next year: there are even some

booms in its post-war history. much what has happened

to pay more for their borrowed capital, the latest increase in bank rate has probably eliminated the margin completely.

A further mildly reassuring piece of evidence comes from the Bank of Japan's periodic survey of the financial position of industry. This shows that the percentage of companies reporting a tight financial position is now slightly greater than those still claiming to be liquid (early this year the balance was

round).

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certain major Japanese industries for a more favourable export climate there is one—there are confident predictions respect—though it is not the one closest to Mr. Tanaka's heart—in which Japan's economic growth rate in 1974 down to no more than 10 per cent.

But if four successive increases in Bank Rate have at last made an impact on industry, it does not follow that the Government has also overcome Japan's inflationary problems, nor that it has reached the stage at which it can begin to devote resources to its own plans for economic restructuring. Consumer prices (up in July by 11.7 per cent. on the level of a year earlier) are expected to go on rising at an accelerating pace for at least the remainder of the year if only because of the need to catch up with the still more inflationary wholesale price index.

Until very recently Japanese investments abroad were limited (under Government regulations) to amounts of \$500,000 or less for each project, and the cumulative value of the country's overseas direct investment was estimated at slightly more than \$2,000m. This figure has risen over the past two years or so to around \$6,000m., and there are estimates that it may grow to anywhere between \$28,000m. and \$40,000m. by the end of the decade.

Power stays where it is

The massive export of capital by Japan, apart from its implications for the country's balance of payments, may be only a partial blessing for the rest of the world. South-east Asian recipients of Japanese investments have already launched accusations of economic domination against Tokyo. Japan also runs the risk of being accused of exporting environmental pollution from its home ground to the areas in which its investments may be concentrated.

But while both of these issues are of prime importance, the fact remains that the present upsurge in overseas investment provides convenient answers to at least some of the problems generated by Japan's excessive rate of industrial expansion. It promises to reduce some of the pressure on land resources which originally prompted Mr. Tanaka to draft his "remodelling" plan. It also offers a means of diverting Japan's resources into channels that do not produce an ever-bigger increase in direct exports.

In the more recent past the Government's plans again ran foul of the overall trend of the economy, when last spring's record budget clash with accelerating price increases.

The Government was forced first to defer to the second half of the year much of the spending on infrastructure schemes proposed in the budget and later to cancel altogether some 600,000 yen worth of proposed expenditure. It is unlikely that next year's budget, which will again have to take account of inflation, will be required before the Tanaka plan can get properly stretched to include much of this year's postponed expenditure.

The Government's financial plans may have to wait for longer-term changes in the taxation system which may increase the Government's financial leverage where it has always lain in post-war Japan—the hands of

and other projects wait on the big business.



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Courting at last

W. H. Baxter

While it might not be very big in terms of hard cash, the bid by WGI for W. H. Baxter is of more than passing interest because it brings into the firing line Sir Donald Kaberry, the former Leeds Grammar School boy who has been Tory MP for Leeds North-West since 1950. Kaberry is chairman and managing director of Baxter, a public but unquoted concern which makes crushers for the quarrying and mining industries.

The coherence point is important, since other EEC countries have longer-established bankers associations as vehicles for contact with the Federation Bancaire and to transmit views to the Brussels Commission. The BBA was, as O'Brien says, "fairly moribund" until expanded to take in the merchant banks and discount houses as full members (88 of them now) and 178 other

long-suffering shareholders of Anthony Carrimore, which offered to buy out the title of The Steel Barrel Scamells and Associated Engineers and, before 1966, to pay dividends, but at last some prospect of action. Yesterday agreement in principle was announced for Carrimore to make a reverse takeover of John Ratcliff (Tail Lifts) on terms which would leave the private Ratcliff shareholders with three-quarters of the enlarged company.

This is not exactly the end of

the tunnel for the 500 Carrimore

shareholders, should they approve the deal. For any revaluation on the Stock Exchange would obviously take time, and anyway John Ratcliff, the chairman of the Baxter Board because WGI believes Baxter provides a reputable fit for one of its subsidiaries which also serves the quarrying and mining busi-

nesses. In a fit of frustration reason for wanting Carrimore

terms being purely commercial.

Free for all

The Reuter tape yesterday described President Allende as "the Western world's first freely-elected head of State." Then this was corrected. He became its first "freely-elected Marxist head of State." I am sure Karl would have relished the distinction.

Observer

JP/12/15/73

Packaging shortage hits supply line

BY SANDY McLACHLAN

DOUR LOCAL supermarket clearly the biggest sector, metal, of stock of your brand plastic (the fastest growing) and glass. There are problems in each area, and some difficulties are common to all.

There is little doubt that plastic packaging materials in general are in short supply. The major plastics producers are the giant oil and chemical companies, and this makes plastics a world market rather than just a national one. Moreover, plastics are co-products of petrol or chemicals, while the raw materials used for plastics production also have alternative uses, and this gives the producers flexibility to switch the raw material to the most profit-oriented: so demand for packaging materials rises. Already a £1,000/m² market, and rising fast. This growth, coming with raw material and delivery problems, has led to shortages of packaging materials of all descriptions, and is becoming a disruptive force in many areas of the diverse trades.

Aterials

The full impact of this may not have been felt by the manufacturer, but the effects are being felt by retailers, and those companies engaged in providing packaging materials to industry. What is happening is that stocks are being used up by both supplier and user so that the stock system is being taken up. Some suppliers are trying to deliver from the production line rather than from stock. There are four major packaging materials which account for 90 per cent of the total are paper and board, still that price controls have held



prices in the U.K. at a level there is still not enough to hitting it hard. The companies which make packaging materials below the prevailing world meet demand.

In fact PVC is one of the plastics in shortest supply. The worldwide industrial boom which has put such heavy demands on all raw materials has not missed out PVC. In this country the major producers, which include ICI and BP, are having to ration their customers, even though they are trying to meet home demand rather than take export orders, which can often be more lucrative.

One of the problems of the plastics industry in general is as having a wide range of applications as simulated leather.

A similar picture emerges in the case of polystyrene, and delivery dates in some grades of raw paper and board, and this is an additional raw material problem. Polystyrene is made from benzene, which is in short supply worldwide.

Paper and board is a similar case. As with plastics, there is a shortage. In the first six months of this year ICI employed in the industry has to increase its supply of polystyrene to the home market by capacity, and existing capacity is slightly different, since there has been overstrained by an upsurge in demand which is again materials such as sand and soda.

This was achieved at the by no means restricted to the instead, the glass manufacturers

by a sudden upsurge in demand too. Some crops are coming through unexpectedly early, and which cannot immediately be reflected in increased production.

Miss Daisy Hyams, the buying director of Tesco, says that although there may not be a real out-of-stock situation is as bad as she has ever experienced. Specification of tin plate required to can the product, it may not be obtained in time. The plum hundred times and with packaging problems to blame in quite a few cases.

Even where the actual goods are available, packaging difficulties can have a restricting effect on marketing. In the grocery trade in particular special promotions are an important element in attracting customers and improving sales offtake.

The trade is now planning its Christmas promotions, but the retailers are finding the manufacturers sceptical and reluctant to join in. Promotions involve special packaging and the manufacturers are not at all sure sometimes that they will be able to deliver, particularly since successful promotions mean a demand for the product above the estimated result of the marketing operation. If supplies are not available to match this demand, then consumer resistance can be created.

Drinks

Partly because of the increased usage of non-returnable bottles, and partly because of the very high demand for glass-bottled drinks as a result of the long hot summer, glass deliveries this year are up something like 9 per cent, so far over last year, against a normal growth rate of around 3 per cent a year. This is more than the manufacturers can cope with, as it takes eighteen months to two years to bring new capacity on stream. At United Glass everything is being done to get the best out of existing capacity, but still some customers are having to look elsewhere to meet their full demands. One furnace used for making beer bottles should have closed down, but is being kept going as an emergency measure. But still stocks have been eroded and products are now going straight from the production lines for dispatch.

If the summer has meant a big call on glass bottles it has had at least as great an effect on demand for canned beverages. Just recently, Whitbread reported that sales of canned beer were up by more than 80 per cent, and this is probably not unrepresentative of the major brewers. Metal Box is far and away the main supplier in this field and while the company claims that it is supplying "the great majority" of what is required, it admits that it has not been able to keep pace with a level of demand which is way above forecast.

The weather has played its part in other areas of canning, as well as keeping stocks in hand to cope with sudden demand fluctuations. Nevertheless, the room for manoeuvre is getting less and the brewers, for example, who stock up on cans and bottles in the first part of the year and then run down stocks as summer demand increases, their sales, which is normal.

Whatever the manufacturers say, packaging difficulties are already affecting retailers' plans and deliveries, and worse may come. Again, experience differs from company to company, but even a grocery giant like Tesco present a packaging problem for some time.

Worsening

Some of the problems of the glass and metal packaging industries are certainly seasonal, and the pressure should ease before very long. (Although an Indian summer could bring the short-term problem further into the open.) In plastics, however, the outlook is for shortages to continue for some considerable time with the situation likely to deteriorate rather than improve. And while

Labour News

Chrysler tense over 'blackleg' charge

PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE INSTRUCTION by transport and engineering workers to members to keep working on non-union management personnel to keep their U.K. plant operating and the electricians' strike is increasing reaction.

The use of "scab" labour, the unions say, upsets the fundamental principle. The two unions have divorced themselves from the electricians' pay because they say it is not in their interests to support it. The Electrical and Plumbers Union has said it will not be five-week strike if the hard prevents the company paying the £250 demanded.

Issue of bringing in permanent personnel to repair lines normally maintained by electricians is seen as quite serious.

Electricians are gaining support from others in other factories, particularly among component makers, came yesterday from Midlands EPTU shop stewards representing suppliers ICA, GKN and Automotive, as well as British Steel, are meeting next week to decide whether to give positive support to the

meeting. Chrysler's Linwood in Scotland, which makes vans and lorries and supplies parts to the company's central parts division in Birmingham which handles £500,000 worth of components a week and to recommend strike action to members as the Dunstable and Luton commercial vehicles factories when they meet tomorrow.

Thus Chrysler, which has already lost some £25m. worth of car production in the past four months in two major strikes—including the "shoddy work" dispute at Coventry—is again faced with a total shutdown.

The immediate reaction of the EPTU was to call out members at the company's central parts division in Birmingham which handles £500,000 worth of components a week and to recommend strike action to members as the Dunstable and Luton commercial vehicles factories when they meet tomorrow.

Thus Chrysler, which has already lost some £25m. worth of car production in the past four months in two major strikes—including the "shoddy work" dispute at Coventry—is again faced with a total shutdown.

Mr. Peter Griffiths, Chrysler's industrial relations manager, said: "We are

concerned about our orders bank to collect £2,800 from union

OUR LABOUR CORRESPONDENT

LIKELIHOOD of bailiffs but into the Amalgamated of Engineering Workers' Association at Peckham, Southwark, has receded. Solicitors called to use other means to collect £2,800 compensation from Mr. George Hill, chairman of the Midland Bank, the Midland, has been served with a court order requiring a sum over £2,800 from the union's account within a month. The union's "garnishee" proposal to switch its current account from the Midland Bank in a further attempt to frustrate the collection of the £2,800.

Mr. Hill, a former maintenance engineer at International Synthetic Rubber, Southampton, was awarded the compensation by an industrial tribunal after being expelled from the AUEW for refusing to take part in unofficial industrial action.

Another AUEW member at the plant refused to work alongside Mr. Hill who has since been employed as a commissioning and handy man at the company's Southampton offices.

Earlier intimation that Mr. Hill's solicitors were preparing to put bailiffs into the union's Peckham headquarters brought offers of physical support to repel any attacks on the union's property. In the case of Mr. Hill, the union's South London district, the Industrial

Act, may now decide

Cosgrave pledges aid in solving London bomb attacks

BY JOHN BOURNE, LOBBY EDITOR

MR. LIAM COSGRAVE, Prime Minister of the Irish Republic, to-day strongly denounced the latest wave of bomb attacks in London, and promised the British Government the fullest co-operation of the Irish people.

"We condemn without reservation these attacks," he said at a lunch to visiting British political journalists.

"It seems to me that while there may be some doubt about their source, those responsible are doing a grave disservice to the interests of Ireland, the Irish people in Britain, and to the interests of two countries with many links."

While Chrysler's two Coventry factories—where the strike by 150 electricians started more than five weeks ago—are continuing to produce, this can only last while there are stocks. The major reaction at Linwood threatens to jeopardise the jobs of more than 10,000 workers at Coventry.

The Coventry electricians are demanding £250 a year extra, together with state subsidies and have rejected a company offer of £190—the most available under Phase Two of the Government's legislation—plus a £26 lump sum. After initially supporting the electricians, other Coventry workers returned on advice from their unions.

On Monday, Chrysler withdrew the promised staff strike for its 150 electricians at Coventry, and it had become clear that no such commitment could be implemented without the agreement of other unions.

The immediate reaction of the EPTU was to call out members at the company's central parts division in Birmingham which handles £500,000 worth of components a week and to recommend strike action to members as the Dunstable and Luton commercial vehicles factories when they meet tomorrow.

Thus Chrysler, which has already lost some £25m. worth of car production in the past four months in two major strikes—including the "shoddy work" dispute at Coventry—is again faced with a total shutdown.

The institute agrees that deliberations—that is, dealing in shares in the knowledge suggests it would be very restricted.

BY NICHOLAS LEES

THE INSTITUTE of Directors has written to Mr. Peter Walker, Secretary for Trade and Industry, expressing concern over the implications for company directors of proposed legislation on "insider" dealings in shares.

Last week, the Stock Exchange disclosed that it had suggested to Mr. Walker several amendments to the Government's White Paper on company law reform.

It is likely that the Confederation of British Industry will make its views on the White Paper known in the near future. This will probably not be through a letter to Mr. Walker, but in a report to the Government's White Paper Committee, which is headed by Lord Watkinson.

Admitting that directors must by their position be deemed to be "in the know," the institute is to review

proposals for price-sensitive information not available to other shareholders dealing in shares just after a criminal offence.

It maintains, however, that if of complexities of the company the crime is not clearly defined organisation to-day, not all directors could discourage normal and tors are equally aware of price-sensitive transactions by directors and executives in their own companies' shares.

The institute questions whether a director would be relieved of criminal liability if he consumed his chairman before he became a public prosecutor to prove guilty dealing by directors and others becoming subject to an prosecution.

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New deputy chairman for NCB

FINANCIAL TIMES REPORTER

MR. NORMAN SIDDALL, a member of the National Coal Board since 1971, has been appointed a second deputy chairman at a salary of £18,750, from October 1.

Mr. Cosgrave's main concern is to see to persuade Mr. Heath to accept that there should be simultaneous movement towards a higher court on the form and powers of both the All-Ireland Council and the establishment of the Executive.

They admit legal delays have occurred in hearing some appeals, but they say processes will speed up following recent alterations in rules of procedure.

At today's lunch, Mr. Cosgrave welcomed Mr. Edward Heath's visit to Dublin next Friday, which he hoped would be successful in helping Britain solve Northern Ireland's political problems.

"I realise it is sometimes difficult to see the divisions and bitterness between the two communities in Northern Ireland as a particularly Irish manifestation," he said.

Such restrictions are regarded as difficult to enforce. In the past, the practical problems have only been solved during wartime, when stringent controls on many freedoms were accepted by both countries, and also by Northern Ireland.

The Irish Government maintains that the Republic is continuing to be active against the IRA, and points out that the number of arrests in August was the largest for many months.

On Monday, Mr. Cosgrave will be arguing for radical, extensive proposals for an All-Ireland Council in the hope that enough progress can be made to agree that this may prove to be yet another negotiating stance.

One possibility for the structure of the Council studied in Dublin has been a three-tier one based on the EEC—a Council of Ministers, a Joint Assembly of MPs, and a Permanent Secretariat similar to the Commission in Brussels.

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The institute is to review other aspects of the White Paper later this month.

Concern over 'insider' proposals

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COMPANY NEWS + COMMENT

Reckitt and Colman ahead by 24.3%

FIRST-HALF 1973 profit from Reckitt and Colman has advanced 24.3 per cent. to £12.73m. and, subject to exchange differences, chairman Mr. A. M. Mason is expecting the year's figure to show "good improvement" over the £12.82m. of 1972.

Sales expanded 22.7 per cent to £122.5m. and trading profit 21.5 per cent, to £13.22m.

Mr. Mason points out that there were considerable fluctuations in exchange rates, with differences adversely affecting results to the extent of £1.02m.—charged to trading profit. Major factors were the weakness of the U.S. dollar, which was significant because of the size of the group's interests in America, and the strength of the DM affecting certain Continental financing obligations.

Because of the floating pound it is not possible to predict the amount of exchange differences for the full year and, in the event, these may be more, or less, than the amount shown for the first half.

A net interim dividend of 3.15p is declared, equal to last year's 4.5p gross. In 1972, total payment was 9.75p gross.

Attributable earnings were 15.43m. (£4.92m.) or 9.1p (8.3p) per share. The corporation tax system has been the same for the two halves, both earnings and earnings per share would have been some 15 per cent higher than for the corresponding period.

Statement Page 26

HIGHLIGHTS

Plessey has met the general expectations of £30m. pre-tax profits with a margin to spare and there has been a notable improvement in the overseas performance. First-half profits from Bovis are up by almost a fifth but no forecast of the full year's outcome is offered; Costain is well in advance at half-time and is looking for "significant progress"; but both shares closed lower on the day. These are analysed in the Lex column along with the interim figures from Babcock and Wilcox which are also way ahead of the corresponding level, with the forecast of a "significant improvement" for the full year. Reckitt and Colman half-time profits are up by more than a fifth after charging £1m. exchange losses, and of the other interims Blackwood Hodge has lifted profits by two-thirds, Barton and Sons by three-fifths and Auditedronic by two-fifths (if the Adler acquisition is excluded). Full year results from John Peters reflect the furniture and retail trading boom, while Countryside has topped its prospects forecast.

impact of the new Springfield chipping and lifting tackle plant has yet to show through (it came fully on stream about June). The full year is hard to predict, but management could be 20p a share, giving a prospective p/e at 23/3 of around 14—as usual, on the high side.

Statement Page 26

Inclledon second half upsurge

ON A TURNOVER up from £14.4m. to £4,064,625, group pre-tax profit of Inclledon and Lamberts expanded from £400,658 to £483,463 for the year to March 31, 1973.

When reporting first half profit of £196,300 (£200,378), the directors indicated that results for the year should not vary greatly from those of the previous year.

But a substantial increase in activity in the main business of the group during the second half produced a significantly better result. And there has been a further increase in group turnover in year to date, the directors state.

A final dividend of 2.0625p net, equal to 2.9375p gross, makes it a total up to 3.9375p from 3.75p. Earnings per 25p share are shown at 6.81p (4.95p), before crediting extraordinary items of £142,703 (debit £11,766).

Statement Page 26

Blackwood Hodge £1m. up so far

FROM SALES £14.39m. ahead at £83.76m., first half 1973 profit of Blackwood Hodge has sprung £0.1m. to £0.56m. This represents a recovery to the level of the 1971 half-year.

It is not possible to make a reliable forecast for the current six months but the directors feel that the year's profit will show a "substantial improvement" over the £4.05m. attained in 1972—although new winning business at more realistic prices, it is inhibited from accepting certain contracts by the inadequacy of steel supplies.

The general engineering division maintained its 1972 rate of profit-sharing and its management

moving and construction equipment.

	First half	1973	1972
U.K. sales	12,320	95,500	11,000
Overseas sales	41,000	21,500	10,000
Pre-tax profit	2,580	1,000	—
U.K. tax	1,000	121	—
Overseas tax	551	605	—
Net profit	1,229	745	—
Minorities	48	41	—
Total	12,368	96,255	11,041

Comment

The upsurge of activity in the main U.K. "earth moving" activities during the first six months of the current year enabled Blackwood Hodge to reverse the dull domestic sales trend of the first half of 1972. U.K. turnover up by 76 per cent. (but only 15 per cent ahead of the comparable 1971 period) and overseas sales 28 per cent better led to an interim pre-tax jump of almost two-thirds. For the remainder of the current year the healthy effect of marginal turn-over growth and increased overall competitiveness due to currency realignments, should prevail over higher operating, setting up and borrowing costs. A pre-tax outturn of £5.5m. (showing a full year increase of 35 per cent) would produce a fully diluted net p/e in the region of 11 at 15p, where the price is already showing a recovery of a third from its year's low.

Barton set to match record

ON A TURNOVER up from £7.4m. to £9.24m., first half group net-tax profit of Barton and Sons engineers and tubing manufacturers, increased from £486,000 to £783,000. Per share earnings are shown at 3.12p against 2.5p.

And the chairman indicates a full year's profit in the vicinity of the £1.5m. record achieved in 1971, compared with the £1.27m. for 1972.

An interim dividend of 1p net per 25p unit, compared with a net equivalent of 0.92p a year ago, is now declared. The 1972 net was 2.81p.

Mr. C. Hooper, the chairman, says the tube division, helped by major improvements from overseas subsidiaries, now generates more than half group profits.

The contribution of the structural and welded fabrications division was at a slightly lower rate than in 1972—although new winning business at more realistic prices, it is inhibited from accepting certain contracts by the inadequacy of steel supplies.

The general engineering division maintained its 1972 rate of profit-sharing and its management



Plessey's chairman, Sir John Clark, who announces 13-month profits up from £20.7m. to £31.5m. pre-tax.

is optimistic about the current outlook.

	Half year	Year
Sales	£102.5m.	£172.5m.
Taxation	£10.2m.	£20.5m.
Minority	£5.4m.	£6.5m.
Attributable	£48.8m.	£83.5m.
Dividends	8p	11.25p
Attrib. Ordinary	£4.8m.	£8.8m.
Earnings per share	8.1p	12.5p
After depreciation & taxation	£12.15m.	£23.5m.
Minority interest	£2.5m.	£3.5m.
Net profit	£19.6m.	£20.0m.
Extraordinary credit	£40.2m.	£40.2m.
Total	£106.300	£200.378

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Brands

The Merchant Bankers



DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year
Abel Morell	Int. 0.75(c)	Jan. 4	0.67*	—
Auditedronic Holdings	Int. 2.50(s)	Oct. 11	—	—
Breedon and Cloud Hill	Int. 5.37(g)	Oct. 27	5	—
Incledon and Lamberts	Int. 2.88*(e)	Jan. 4	2.17*	3.94
Midland-Caledon	Int. 2.94(d)	Oct. 19	2.75	—
Plessey	Int. 3.50(t)	Nov. 14	3	18.5
Amber Day	Int. 12.38(k)	Oct. 31	12.5	18.88
Babcock and Wilcox Int.	Int. 1.127(m)	Jan. 7	1.02*	—
Bovis	Int. 12.64(m)	Jan. 2	12	—
GRA Property	Int. 3.59	Oct. 12	3	11
Halifax	Int. 1.17	Oct. 12	1.17	12
John Peters (Furnishing)	Int. 16.8(t)	Nov. 8	16	21.18
Montfort (Knitting Mills)	Int. 1.00	Oct. 11	—	—
int.	4.4(f)	Oct. 24	4.3	—
Countryside	Int. 4.17	Oct. 24	4.17	—
Coley-Robins Group	Int. 1.37*(q)	Oct. 15	1.25	2.43
Anglo-American Asphalt	Int. 1.63(p)	Oct. 15	1.5	2.52
Capital and National	Int. 1.73*(f)	Oct. 15	2.01	2.89
Capital and National Int.	Int. 1.07(f)	Oct. 15	—	—
Reckitt and Colman	Int. 3.15(t)	Jan. 2	4.5	—
Crest	Int. 5(t)	Oct. 1	—	—
Barton and Sons	Int. 1.47(f)	Jan. 1	0.92	—
National & Grindlays	Int. 8.57(s)	Jan. 1	8	—
Kennedy Smale	Int. 1.15	Oct. 24	12*	25

* Equivalent after allowing for scrip issue. † Pence per share capital increased by rights and/or acquisition issues. ‡ Net as last year's gross. (a) Gross of £1.75p. Company made public Sept. 1972. (b) Gross of £3.15 per cent. (c) Gross of 0.49p. (d) Gross of 2.0525p. (e) Gross of 1.65p. (f) Gross of 1.5p. (g) Gross of 12.38 per cent. Making 6 per cent to date. (h) Gross of 11.5p. (i) Gross of 0.7875p. (m) Gross of 3.8225 per cent—on increased capital. (n) of 1.125p. (o) Gross of 3.8225 per cent. (p) Gross of 1.625p. (r) Gross of 2.5p. (s) Gross of 34 per cent. (t) Gross of 34 per cent.

DIVIDENDS ANNOUNCED

Current payment

Date of payment

Corresponding div.

Total for year

per share

dividend

MINING NEWS

U.S. metal crisis ahead

ANNUAL SHORTFALL to \$100 million, between mineral production and the industry's requirements will occur in year 2000 in the opinion of Elmer Osborn, director of the Bureau of Mines. But he adds that technological advances help bridge the gap.

Remarks prepared for delivery before the American Mining Congress, Mr. Osborn says within 30 years the U.S. may "rely on foreign sources at least half its mineral needs. Furthermore, we will be competing for those foreign mineral assets with other mineral-rich nations," he adds.

The situation could lead to a shortage that would make current energy crisis look like "good old days by comparison," he says. "We possess both the lead and the scientific know-how to prevent such a crisis," says Mr. Osborn, pointing out that existing iron ore stocks have shown improvements in technology, advances in exploration techniques, use of substitute minerals and re-cycling.

ROYAL AGASSIZ

Royal Agassiz Mines Ltd., reaching to reach production by end of next year at its Lynn gold property in Manitoba, has approximately £1,000,000 (£1,500,000) has been spent by the sale of 0.3m.

It is stated that \$1.5m. was received during Pahang's past financial year to July 31 and the balance plus an estimated \$1120,000 from certain adjustments is to come in the current year.

The funds are to be used to expand Pahang's tin mining activities. Initially, \$10.7m. is to be spent on the Gakak shaft and a further \$11.1m. will be required for a new heavy media separation plant. A new subsidiary is to start exploration work in late 1973 and when the final balance of the sales pro-

jects is received the Board intends "to undertake further exploration of natural resources and mining acquisitions." Pahang were 75p yesterday.

NEW S. AFRICAN URANIUM FIND

According to Dr. A. J. A. Roux, chairman of the South African Atomic Energy Board, uranium has been found in the Karoo, the Arid region of Cape Province between Johannesburg and Cape Town, but whether it can be economically exploited is not yet known.

Dr. Roux said that promising indications had been found and 500 boreholes drilled, but so far no proven deposits "which are large enough to justify extended mining activities" had been found.

Richard Rolfe reports from Johannesburg that the amount of drilling suggests that large, low-grade deposits are being looked at, among others by Union Carbide's South African affiliates, which applied for the first prospecting rights to the Karoo in March 1970, and have since been followed by others.

Sporadic uranium mineralisation of the kind indicated is not uncommon, but so far nothing comparable with the Rio Tinto-Zinc group's find at Bossington in South Africa has been turned up.

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BIDS AND DEALS

Bristol Street lifts bid for Griffiths Bentley

Bristol Street Group has raised its bid for Griffiths Bentley, the seat belt and industrial fastenings group, from 26.5p a share to 28.5p a share to value the company at £16.5m. GB's share price remained unchanged at 25.5p.

As expected the terms have a recommendation, but the GB Board is not unanimous in its agreement. Mr. Stephen Proctor, who owns just over 1 per cent of the shares and is a member of the family which built up GB's Braxton-Excelson seat belt subsidiary, has taken separate advice from Standard Industrial Trust and is not recommending the terms.

A spokesman for SIT said Mr. Proctor had a "whole host of options" of which one is the terms. But the most important is the industrial fastenings divisional objective." Mr. Proctor is to give his detailed reasons after offer documents have been sent out.

Mr. John Court—who took over as chairman of GR recently following the resignation of Mr. Peter Begard subsequent to the abortive attempt to take over Bryanston—mainly maintained yesterday that it was a sensible deal for both companies which could not fail to recommend." He said the merger would create a powerful integrated group with all interests in engineering and automotive fields.

The Proctor family owns about 7.5 per cent of the GB equity, but it is not certain that they will follow Mr. Stephen Proctor's line. There were signs of a split when Mr. Oscar Proctor (British founder) and his son, Mr. Ronald Proctor, departed from Braxton in October 1972.

Other major shareholders in GB are Bryanston, which is probably the largest with 9.8 per cent, and the ICI Pension Fund, with somewhat less.

The deal is subject to there being no reference to the Monopolies Commission, an event which BSG chairman, Mr. H. G. Cressman, maintained yesterday was unlikely.

Mr. Cressman said he could not see how Mr. Proctor—who had not been offered a seat on the BSC Board—could dispute the industrial logic of the deal, particularly when he was favourably inclined to the Bryanston deal "where there was no industrial logic."

Both companies made profit forecasts yesterday. BSG is expecting trading profits up from £3.6m. to £4.8m. for 1973, but with high interest rates hitting it heavily, particularly on its hire purchase business, pre-tax profits are expected to be little changed at £3.1m. against £2.18m. last year. GB's profits are forecast at £3m. for the year to March 1973 (before minorities of £320,000), a rise of £1m. on the 1972-73 figure.

Terms of the offer are 38p shares (up 10p to 48p), plus £1 of 10 per cent convertible stock—secured £100 per share for every 100 GB shares. The stock will be convertible between 1975-1980 at 185 shares per £100 of stock. GB members will receive a special interim of almost 0.22p a share if the offer becomes unconditional.

Samuel Montagu, who have advised BSG, intends to offer to acquire the BSG convertible stock issuable at 100 per cent. Slater Walker has advised GB.

SHARE STAKES

Co-Mech Engineers, of Woking, Surrey, has acquired a further 255,000 shares in Ransome Engineering Limited and now holds 1,005,000 (13.4 per cent).

Sun Life Assurance Society as a result of recent purchases has an interest in 9,025,000 Artisan Properties Ordinary (32.15 per cent), with the holding on August 31, 7,886,544 shares (27.91 per cent).

ASSOCIATES DEALS

On September 8, Rowe Swann bought 20,000 Bristol St. Grp. at 47.50p for an associate of BSC.

On September 10, Grievson Grant, brokers to Home of Fraser, bought 5,500 Fraser at 105p for discretionary clients and bought 25,000 at 105p for Scottish and Ulster Investments, an associate of Fraser.

Lydde & Co. yesterday bought 2,000 Vic Hallinan at 177p on behalf of associates.

PRUDENTIAL-EDGER

The Prudential offer for Edger Investments has been accepted in respect of 3,004,829 shares (91.94 per cent) of the non-voting ordinary shares of Edger. The offer has been declared unconditional as to acceptances. The Prudential controlled 125,000 shares on June 12, the date of the offer, and since then has acquired a further 60,000 apart

from those offered by accepting North London, has a mixed fleet of 100 vehicles ranging from 5-cwt vans to 22-ton trucks—turnover from both contract hire and rental divisions totalled £400,000 for 1972.

Shanghai Electric bid details

Full details of the scheme of arrangement whereby the New Zealand group, Traveleye Investments, is to acquire the Shanghai Electric Construction Company, a London-registered concern, have been sent out.

They show that the offer for Shanghai Electric will be 68p a share in line with the net asset value as at July 31, 1973. Following completion of the deal, an aggregate sum of £2,500 will be paid to the three Shanghai Electric directors compensation for services rendered up to December 31, 1973, notifiable assets of Lapley amounted to £20,000 and its directors forecast pre-tax profits for the year to September 30, 1973, will be not less than £10,000.

The Lapley Group manufactures commercial bearings, conveyor belts and metal pressings. The shares will be placed as 10 half with clients of Slater Walker and half with members of the Goldman Board.

Pre-tax profits of the three companies for 1973 will be £99,645 and net tangible assets of December 31, 1972, totalled £100,323.

WILSON & LONGBOTTOM

Wilson and Longbottom of Barnsley, specialised textile machinery makers, has purchased all the patterns, drawings and technical information of Robert Hall and Sons (Bury).

Robert Hall, one of Britain's oldest established firms of loom makers, recently decided to close the production premises at Bury, but the sale of the patterns will ensure that service will continue to existing customers.

PARAMEBE STAKE IN LITTLE HAVEN

Parambe has acquired 805,000 Ordinary shares (17.375 per cent) in Little Haven Farms. The offer made in Canada by Vickers to acquire additional Com-

pany assets of the farm, which may lead to an offer of £1.2m. being made for that same part of the store which it is proposed to sell to Austin Reed.

This approach is being explored.

McCORQUODALE PURCHASE

McCorquodale & Co. has acquired 18 per cent of McCorquodale Colour Industries Ordinary shares (worth £398,000) and now owns all the share capital of that company. The consideration shares carry the right to the interim dividend of 3.25p per share payable October 1.

A meeting convened by the court in connection with the scheme and the extraordinary meeting of Shanghai Electric will take place in London on September 18. Proxies must be in at least 48 hours before the meetings begin in case the meeting is adjourned by the Court they can be handed to the chairman at the meeting.

SEA SEARCH-BERRY WIGGINS

Recommending the offer from Berry Wiggins, Mr. V. P. Brooks, chairman of Sea Search, points out that the bid would, on full acceptance, result in shareholders of Sea Search holding 48.7 per cent of the enlarged company.

The offer, which is due to become effective on October 3, is to be approved by the court on the 27th.

Sea Search is offering five Ordinary (last night down 1p to 62.5p each) for every two Berry Wiggins Ordinary, valuing each Berry Wiggins at 138p. Unofficial details in Sea Search holdings 48.7 per cent of the enlarged company.

The offer is to be made after attempts had been made by WGI and its advisers Williams Glyn to have talks with the Baxter Board.

Indications last night were that this sighting shot would be rejected.

WGI is offering five Ordinary (last night down 1p to 62.5p each) for every two Baxter Ordinary, valuing each Baxter at 138p. Unofficial details in Baxter shares in London have seen them change hands at 100p and the price being quoted last night was 105p nominal.

WGI maintains its screen manufacturing business is closely related to the business of Baxter in that they both serve the same markets on a complementary basis.

"A further extension of these activities in both Leeds and Manchester would be the natural outcome of the merger," it maintained.

Baxter's net tangible assets as at March 31, 1973 were £155,000 (roughly 300p a share) and pre-tax profits for the year to that date were £18,400.

Venture, based in Cricklewood, London, has a turnover of £1.2m. and pre-tax profits of £180,000.

See Men and Matters, page 18

of the



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Western American Bank (Europe) Limited



Half-year Statement to 30 June 1973

Mr J P Sowden, chairman, reports:

The Group's order book stands at £225M, a record, and it is encouraging to note that this is spread usefully across all divisions both in the United Kingdom and internationally.

The results for the first half of the current year show levels well in advance of the same period last year and it is with confidence that I predict significant progress in the results for 1973 compared with 1972.

The directors have declared an interim dividend in respect of 1973 at the rate of 1.65p per 25p ordinary share, to be paid on the capital increased by the capitalisation issue of September 14th, 1973. For the year 1973, it is the intention to recommend a substantial increase in the total dividend subject only to any maximum permitted by then current government legislation.

	Six months to 30 June 1973 £'000	Six months to 30 June 1972 £'000	Years to 31 December 1972 £'000
Turnover	67,000	57,000	124,000
General trading	4,268	2,429	7,568
Net income from rents of land and buildings	444	410	842
Property sales	129	800	825
Less interest	4,841	3,639	9,235
Profit before taxation	745	584	1,223
Less provision for taxation at nominal 45% for half-year* (1972-40%)	1,843	1,222	2,578
Profit after taxation	2,253	1,833	5,434
Less provision for outside shareholders' interests	424	122	456
Net profit attributable to Richard Costain Limited	1,829	1,711	4,979
Less preference dividends	20	20	39
Net profit earned for ordinary shareholders	1,809	1,691	4,940
Interim dividend of 1.65p on the ordinary shares (1.5167p in 1972**) 175		532	
Less reserve corporation tax 407			
Total dividend on the ordinary shares for 1972		1,021	
Unappropriated	1,402	1,159	3,919

*The nominal rate of 45% is the average UK taxation rate for the period; it is expected the charge for the full year will be approximately 42.5%.

**Adjusted for capitalisation issue of one new ordinary share for every two ordinary shares and for change in taxation basis from gross to actual dividend.

Richard Costain Limited · 111 Westminster Bridge Road · London SE17UE

COMPANY NEWS

Around £7.7m. expected by Babcock and Wilcox

UNLESS THERE is major industrial unrest during Phase II, profits of Babcock and Wilcox for 1973 will show a significant improvement—some £2.32m.—over the £5.32m. achieved in 1972, forecasts the chairman Mr. John King.

Because of the buoyant U.K. economy which developed in the latter half of 1972, order books have improved. But materials and labour shortages are giving concern, he stresses.

For the first half (25 weeks) of 1973, profits have advanced by £2.04m. to £8.55m., from sales £26.43m. ahead at £88.7m., including acquisitions.

While results for the current six months should be no less satisfactory than the first, they cannot be forecast to improve by the significant margin because of the changing structure of the group.

The interim dividend is raised from the equivalent of 1.025p to 1.135p gross or 0.7675p net; this represents an increase of 10 per cent. and is warranted by the results. The sum will depend on the outcome for the second half and any Government regulations—the 1972 total was 1.25p.

First-half Year 1973 1972 1972

Turnover 88,700 88,250 125,512

Trading profit 4,908 1,759 5,810

Invest. income 972 743 1,000

Associates 15 67 71

Pretax before tax 5,869 1,831 5,828

Taxation 1,601 738 1,626

Attributable 2,268 1,097 2,233

Mr. King says the U.K. product divisions have benefited from the growth in the national economy. Results of the construction equipment side were particularly good, with continuing efforts to achieve improved efficiency have also produced better results from power engineering.

Overall, the international division has had a very successful half year. Particularly satisfactory results were achieved by Claudio Peters AG in Germany and by Babcock and Wilcox Africa. At the same time, the unsatisfactory situation last year in Australia has been contained and the action taken both last year and this will result in a much improved performance in the second half of the year.

Recently, negotiations have been concluded for the acquisition of the outstanding one-third interest in Claudio Peters at a cost of some £3m. This company has forecast profits of £1m. for the current year.

The newly acquired GEMS and Woodall-Duckham groups contributed £2.4m. to turnover and some £750,000 to trading profit. Results of Woodall-Duckham have been disappointing, principally due to substantial delays in the receipt of important orders. These have now been awarded in the group's favour, and it should make its anticipated contribution to profit for the second half.

Referring to the proposed restructuring of the British nuclear power generation industry, Mr. King says it would be

BOARD MEETINGS

The following companies have noticed dates for their meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are to be paid in cash and the sub-dividends shown below is based mainly on last year's timetable.

TO-DAY Interiors-Angle American Investment Trust, Benthall, British Aluminum, British Cables, British Gas, Canadian Royal Exchange Builders Merchants, London and European Securities, Portobello, London, William Whitbread, James Wilkes Wilson (Comley).

Friars-Armstrong Equipment, Belgrave, Finsbury, General Investment, Inland Industries, J. L. Kier, Leigh Mills, Longmoor Holdings, Miles Martens, Prestwich Parker.

FUTURE DATES Associated Fisheries Sept 29 B.W.A. Group Sept 19 Brook Watson Oct 10 Clegg and Parker Oct 21 Eagle Star Insurance Sept 19 Fairview Estates Sept 20 Finsbury Sept 19 Gledhill Sept 19 Great Western Sept 19 H. M. Sheldom Sept 19 London Transport Sept 19 Perry (Harold) Motors Sept 20 Southern Constructions Sept 17 Wadkin Sept 17

Attributable earnings per 25p Ordinary share are shown to have risen from 10.1p in 1972-73.

The final dividend is raised from 15 pence to 16.5 per cent.

From 15.78 per cent. net—to lift the total from an adjusted 20.167 per cent. to 21.176 per cent. the maximum permitted. A one-for-four scrip issue is also proposed.

Turnover 22,867,443 28,184,266

Trading profit 2,852,443 1,758,526

Provided deferred profit 6,654 2,941

Available 11,600 11,000

Ord. dividends 1,824,340 4,623

Dividends waived interim and final

Proposed for a share option scheme are to be put to the annual meeting at Sheffield on

until an equivalent dividend has been paid on the Ordinary, at which date they automatically convert into Ordinary.

£2.3m. and scrip from John Peters

PROFIT of John Peters (Furnishing Stores) climbed from £1,750,924 to £2,232,639 for the year to March 31, 1973, after being nearly £300,000 ahead at £221,232 half way.

Provision transferred to deferred profit reserve of £26,854 was substantially lower than the £239,621 for the previous year, leaving the pre-tax profit at £2,285,885 against £1,811,063.

Attributable earnings per 25p Ordinary share are shown to have risen from 10.1p in 1972-73.

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● comment

Peters has finished the year with pre-tax profits 58 per cent. ahead

to 1972-73, a 28.4 per cent.

This is a fair performance even

for a year of consumer boom and

it eases the historic net p/e of 13.5p down from 16.7 to 10.6.

Peters has three basic divisions,

furniture and clothing retail plus

the manufacture of clothing, and

this year demand remains buoyant

with retail sales space increasing

at 10.5 per cent.

The latest addition to deferred

profit reserve is unfaltering but

the 1972-73 figure was inflated

by the creation from scratch of

a reserve for the Wolfe and

Hollander acquisition.

See Lex

Amber Day tops profit forecast

AGAINST A forecast of £600,000 made at the time of the merger with the Amber Group, pre-tax profit of Amber Day Holdings (formerly Dennis Day Holdings) amounted to £653,864 for the year to April 30, 1973, on a turnover of £2,063,123.

For the previous year turnover and profit of Dennis Day was £4,263,221 and £242,071 respectively.

Earnings per 10p share—all distribution basis—are shown at 8.44p (5.83p), and fully diluted 7.01p.

Turnover 1,973-73 1972-73

Profit before tax 1,686,123 4,263,221

Taxation 480,000 1,000

Minority 1,000

Special provisions 1,000

Attributable 1,500,123 3,263,221

Lessors 1,000 1,000

Retained 1,500 1,263

Statement Page 23

See Lex

Econa set for further growth

All companies in the Econa group of sanitary engineers look

forward to show increased

sales and profits in the current

year, states chairman Mr. H. R. Scott.

It is not anticipated that the

margin provisions of Phase Two

will have any major impact on

the group's results as a whole,

he adds, but what affects Phase

Three may have an unknown

factor.

Subject to these uncertainties,

and any other factors outside the

directors' control, the group can

look forward to a further increase

in profits in the current year.

Trading for the current year

shows a satisfactory increase in

all divisions, and a further

increase in profits is confidently

COMPANY NEWS

Plessey £10.7m. upsurge: overseas boost

OVERSEAS operations contribution to take shares in lieu of a £5.5m. more, profits a cash dividend for the year ended March 31, 1973, in respect of £10.7m. in of the whole or any part of their shareholders. At that date, total assets were substantially higher than 2 months earlier, of which overseas content showed an increase of 32 per cent.

Press conference chairman Mr. Clark said he viewed the year with "a mood of optimism". However, it is to date had been mainly and he foresees a steady development across the company. All sales for 1972-73 rose £28.5m. to £225.1m. and net profit from £22.76m. to £10.7m. The trend of improved growth continued throughout the year, came to £28.5m. and produced a net surplus of £10.3m. and a pre-tax balance of £6.68m.

Income now includes attributable profit of the financial division. Contributions compared with the cash position has more than increased interest rates.

Chairman of the Beckenham-based hi-fi distributor Mr. G. W. Smith, said Adler's contribution was £22.76m. before tax, up from £21.7m.

Sales were said to be running 60 per cent ahead after three months.

The interim dividend—forecast at 20 per cent—is to be 25 per cent gross—1.75p net. Last year was paid a single 30 per cent, was paid a pre-tax profit of £1.25m.

Mr. Smith points out the greater proportion of the group's turnover is earned in the second half year and the directors are confident that subject to no unforeseen circumstances, a very satisfactory result will be achieved for 1973.

The F. Cave business of five retail shops acquired in May has been satisfactorily incorporated into the company's existing retail chain, members are told.

Meeting, Manchester, October 4.

Breedon & Cloud Hill hopeful

The directors of Breedon and Cloud Hill Lime Works are lifting the interim dividend from 8 per cent to 3.57 per cent gross—1.5p per 25p share.

They report a pre-tax profit for the half-year to July 31, 1973 of £274,374 against £351,154 for the same 1972 period. Tax takes £128,041 (£100,461) leaving net profit at 1.13 net p/c on past twelve months' earnings and doubling up the Adler contribution therefore has merit.

Phillips Patents position

From internal accounts the directors of Phillips Patents (Holdings) have, it is apparent, that the executive action taken early in the year is proving successful, states Mr. J. A. Rowlands, the new chairman.

He does not propose to make a profit forecast for the current year in view of the fact that the six months' figures will be available at the end of this month and will be circulated prior to the meeting on October 4.

TDG SHARE OPTION SCHEME

Transport Development Group is proposing to replace its executive share incentive scheme with a new share option scheme.

The new scheme will be open to senior executive—including full time executive directors—in both the company and its UK subsidiaries. The maximum number of shares available will be 2m.—less than 2 per cent of the present issued Ordinary.

INTERIM STATEMENT**Bovis Progress Report**

Earnings. Unaudited accounts for the six months ended 30th June 1973 show profit for the Group before tax and minorities of £6.03 million, compared with £5.1 million in the same period last year. The outlook for the full year is promising. Your Board expect to maintain satisfactory earnings growth while beginning to demonstrate the Group's true asset strength.

Dividend. The interim dividend of 12.6% (including tax credit) on the Ordinary share capital will be paid on 2nd January 1974 in order to obtain the most advantageous tax treatment.

Property. The Division has continued to progress as developer and trader, and the portfolio has been considerably enhanced.

Housing. Turnover and profits in the first half year were at record levels. Our mortgage subsidy for first time buyers is maintaining stability in spite of volatile interest rates.

Construction. We have now moved completely away from tendering for building projects, and all new work is on the more stable fee basis. Since March, fee-based contracts worth £53 million have been obtained.

Banking. First half profits were £948,000 (1972—£501,000), and profits for the whole year will undoubtedly be a record.

(Highlights from the statement by Mr Frank Sanderson, Chairman of Bovis Limited, in the Interim Report, September 1973.)

Bovis Limited,
Property, Housing, Construction, Banking

Costain tops £4m. in first half

WITH TURNOVER £10m. ahead at 57% at half way, Richard Costain is showing a pre-tax profit of £4,083,000, against £3,053,000, for the six months to June 30, 1973, compared with the 1972 period.

And chairman Mr. J. P. Sowden in his first interim report predicts with confidence "significant progress in the full year's results compared with the £9m. pre-tax profit for 1972."

The chairman reports that due to proper financial control and other measures Baby Deer is once again making a substantial contribution to group profits.

Profit of the moulded rubber and latex divisions rose from £34,940 to £72,261 before tax turnover increased from £1,252,945 to £1,750,265, which, he says, is a good indication of the increased efficiency in manufacture and the benefit of increased throughput.

Since February 28 the group has acquired two companies—Rowland-Jones (Holdings) and Rabbits and Co.—and a plastic manufacturing company, Kenley Components.

It is proposed to increase the authorised share capital to £1.74m. by the issue of 1,300,000 additional Ordinary shares, to enable the directors to acquire further property or manufacturing companies as and when the opportunity arises.

Meeting, Manchester, October 4.

Expansion costs hit**Abel Morrall**

A considerable increase in overheads, to cater for future planned expansion, has resulted in a fall in first half taxable profits of Abel Morrall (makers of needles and general small wares) from £123,288 to £104,236, reports chairman Mr. E. G. Lewis.

Recalling that in his annual statement last March, he expressed confidence in both current and future prospects, Mr. Lewis says this confidence, in the longer-term, remains unchanged.

The interim dividend is rounded up from 8.5p, adjusted for a scrip to 7p gross—0.49p net—per 25p share, payable in January for tax reasons. Total for the year 1973 was equal to 2.35p, paid on profits of £228,565.

TDG SHARE OPTION SCHEME

Transport Development Group is proposing to replace its executive share incentive scheme with a new share option scheme.

The new scheme will be open to senior executive—including full time executive directors—in both the company and its UK subsidiaries. The maximum number of shares available will be 2m.—less than 2 per cent of the present issued Ordinary.

Montfort's first half advance

Group turnover of Montfort (Knitting Mills) expanded from £1,250,384 to £2,225,220 and profit advanced from £90,181 to £182,313, or 100% for the half year to June 22, 1973, reflecting acquisitions.

Despite even greater pressure on margins due to raw material and overhead costs the directors look forward "with considerable confidence to a satisfactory result for the full year." Profit for 1972 was £241,153.

The interim dividend is raised from 4.2 to 4.4 per cent net. The 1972 net total was 14 per cent.

Mr. M. L. Meakin, chairman, reports that every unit showed a satisfactory increase in sales for the half year. The increase in turnover is due, to a great extent, to the substantial contribution made by the additional companies acquired in mid-1972, which did not contribute to the first half results for that year.

Orders on hand at end June were at a higher level than in 1972, and this increase has been maintained to date, he reports.

Ellis and Everard 'confident'

Despite the monetary crisis and the difficulties of curbing inflation, chairman Mr. A. J. Everard of Ellis and Everard, remains confident of the future of the company's four main markets—the supply of building materials and industrial chemicals.

Unless there is a severe recession, he foresees a continuing demand for the goods and services offered by the group, which is currently fighting off a bid from Unilever.

On August 14, record pre-tax profits of £1,053,223 (£787,743) were announced. Dividend total is 10.887 per cent gross, compared with an adjusted 12.75 per cent last year.

The large programme of capital expenditure undertaken during the past year, including acquisitions, will show increasingly satisfactory returns and provide a sound base for expansion, Mr. Everard adds.

Meeting, Leicester, October 8, 11-15 a.m.

GEI LOAN STOCK

The 10 per cent convertible loan proposed to be issued to replace the 8% eng. Debentures of General and Engineering Industries is an unsecured stock, and not a secured stock as inadvertently reported on Monday.

One good idea led to another. A good idea in Canada led us to Zurich.

Over 100 years ago, we saw Canada's need for financial backing to develop her rich natural resources. That was our first good idea. It led to other good ideas in Zurich and in many other places in the world: Good ideas about trade, investment and international financing.

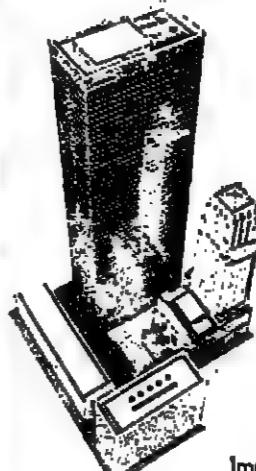
Today we have over 1500 branches from the Atlantic to the Pacific and offices in Australia, Europe, Frankfurt, Japan, London, the U.S.A. and throughout the Caribbean. We are one of the world's largest banks with over \$13 billion in assets.

We have seen a lot of small businesses become big businesses and a lot of good ideas become realities.

If you have a good idea, come and talk to us. We know what good ideas can lead to. That's how we became one of the world's largest banks.

For further information write to Dept. UF6, Canadian Imperial Bank of Commerce, P.O. Box 408, 2 Lombard Street, London EC3P 3EU, or our head office—Commerce Court, Toronto M5L 1A2, Canada.

CANADIAN IMPERIAL BANK OF COMMERCE



Commerce Court
Head office of Canadian Imperial Bank of Commerce.

(This announcement appears as a matter of record only)

**MEDIOBANCA**

BANCA DI CREDITO FINANZIARIO S.p.A.

US \$500,000,000

10-year loan

Arranged by

Orion Banking Group

Credito Italiano

Provided by

Algemene Bank Nederland N.V.
Amro Finance Company, Ltd.
Bank für Kredit und Außenhandel
A.G., Zürich
The Bank of Kōbe, Limited
Banque Belge pour l'Industrie S.A.
Banque Canadienne Nationale
Banque de la Société Financière
Européenne
Banque Européenne de Tokyo S.A.
Berliner Handels-Gesellschaft
Frankfurter Bank
Caisse Centrale des Banques
Populaires, Paris
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Compagnie Luxembourgeoise de
Banque S.A. (Dresdner Bank Group)
Continental Bank
Continental Illinois National Bank
and Trust Company of Chicago
Crédit Commercial de France
Crédit Industriel et Commercial

Credit Suisse
Credito Italiano, London
The Dai-Ichi Kangyo Bank, Limited
The Daiwa Bank Limited
The First Pennsylvania Banking and
Trust Company
First Wisconsin National Bank of
Milwaukee
Girard Trust Bank
The Hokkaido Takushoku Bank
Limited
Hypobank International S.A.
The Indiana National Bank
Interunion Antilles N.V.
Japan International Bank, Limited
The Kyodo Bank Limited
The Long-Term Credit Bank of Japan
Limited
Marine Midland Bank—New York
Marine Midland Bank—Western,
Nassau
The Mitsubishi Bank, Limited

The Mitsubishi Trust and Banking
Corporation
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National Westminster Bank Group
Orion Bank Limited
Orion Terbank Limited
The Provincial Bank of Canada
The Royal Bank of Canada
The Royal Bank of Canada
(International) Limited
The Sanwa Bank, Ltd.
The Sumitomo Bank, Limited
The Tokai Bank, Limited
UBAF Limited
United Chase Merchant Bankers
Limited
Westdeutsche Landesbank
Girozentrale
Western American Bank (Europe)
Limited

ORION

INTERNATIONAL COMPANY NEWS + EURO MARKETS

CFP seeks listing in London

By David Curry

Campagnie Francaise des Petroles, the holding company of the French Total group, is seeking a listing on the Stock Exchange in London. It will offer 13,588,769 "B" shares.

The bankers arranging the introduction are Morgan Grenfell & Co., and the Banque de Suez with Cazenove and Co. as brokers. It is expected that the company will be listed towards the end of September.

The French oil major has a substantial stake in the North Sea through the French Group and is well situated in the UK petro market. Its activities embrace the exploration, production, refining and marketing of oil and gas products and petrochemicals.

The company ranks 27 in the Fortune list of the 300 largest industrials outside the U.S. ranked by sales. Its 1972 sales were \$2,806m. and assets were worth \$3,926m.

Eurofuel sets up operation in Belgium

By Rupert Cornwell

PARIS, Sept. 11. FRANCE'S EFFORTS to gain a substantial foothold in the nuclear fuel manufacturing field have been carried a step further with the creation of a Belgian subsidiary by Eurofuel, the mainly French group set up in March this year.

Under the deal, details of which have just been announced here, Eurofuel, in which Pechiney-Ugine-Kuhlmann has a 51 per cent. interest and Westinghouse of the U.S. 35 per cent., will be the majority shareholder in a new company, SIE (Societe Belge de Fabrication de Combustible), to make fuel for pressurised reactors.

Eurofuel will have 60 per cent. of the equity of the new venture, with Westinghouse having 16 per cent. and the Belgian group, SA-Metallurgie et Mecanique Nucleaire (MMN), which is holding by Sodec Generale group, the remaining 24 per cent.

Present French strategy in the nuclear fuel field is to ensure that French reactors, for which an ambitious programme is planned, can be supplied by fuel from within France. Westinghouse has already provided the pressurised water technology under licence for Creusot-Loire to build the first four French nuclear power stations. MMN is a Belgian Westinghouse licence holder for parts of the same technique.

Under the terms of the agreement, MMN's Dessel plant in Belgium will be transferred to the new group. It is situated about 30 miles South of Antwerp, and has a capacity of about 200 tons uranium content for making fuel ready for pressurised water reactors.

Combustible material manufactured at Dessel has been supplied to nuclear power stations in Belgium, France and Holland, and the latest arrangements which link it with such powerful names as PUK and Westinghouse will help its ambition to extend its scope further.

United Aircraft merger with Signal called off

BY OUR NEW YORK STAFF

NEW YORK, Sept. 11. THE SIGNAL companies and United Aircraft Corporation have abandoned their merger talks, partly because they failed to reach an agreement on the valuation of Signal's major North Sea oil discovery.

Mr. Forest N. Shumway, president and chief executive officer of Signal Companies, noted that the value of the North Sea oil becomes increasingly important in light of the growing uncertainties about Middle East oil and gas reserves." As a result of the nationalisation much higher prices for crude oil can be expected which of course increases the value of known reserves," he said.

From the start the merger has been beset with problems and complications. First there were the anti-trust implications of the proposal, since Signal through its Garrett Corporation, is also a aircraft manufacturer. Rumours suggested that the Justice Department was taking a very careful look at the agreement which would have created a company

Immediate prospects for BHP are 'favourable'

THE BROKEN Hill Proprietary Chairman Sir Ian McLennan has told the annual meeting of shareholders that "for the immediate future" trading prospects appeared favourable.

He said BHP would be allowed to resume direct overseas recruiting of labour. "This was temporarily suspended early this year but I am glad to be able to report that the Government has just decided to allow us to resume."

Sir Ian said the latest revaluation of the Australian Dollar was bound to affect export earnings but if it had the desired effect of dampening inflation "the price may be worth paying."

Referring to "economic nationalism" he said "care must be taken not to lose the goodwill of our trading partners."

Reuter

Kangyo Bank subsidiary

BY OUR OWN CORRESPONDENT

AMSTERDAM, Sept. 11. THE JAPANESE Dai Ichibanpo with the business volume

Kangyo Bank is to open a subsidiary in Amsterdam. Dai Ichibanpo's vice president, Shuzo Muramatsu, announced yesterday at a reception for the introduction of Dai Ichibanpo's CDR on the Amsterdam Stock Market.

Dai Ichibanpo plans to open subsidiaries and affiliates in several other countries where it also wants to be listed on the local stock markets.

Kangyo shares will be listed in the form of Continental Depository Receipts each representing 100 shares of Y50, and its first dealings will start on September 21, with first price based on the closing price on the Tokyo Bourse on that date.

Based on the closing price in Tokyo yesterday the value of one CDR would be about Fis.410.

In order to let resources keep further.

Nordorf Computer (Pty.), a subsidiary of Nordorf Computer AG, of West Germany, said it will use its share capital to R300,000 to establish a broader base for expanding its business to all major centres in South Africa.

The South African market for mini computers is expected to be worth R25m. within five years.

Early next year a local leasing and rental company will be formed in association with a local finance company.

Schering exports, sales increase

FRANKFURT, Sept. 11.

Schering, the Berlin-based chemicals and pharmaceuticals concern (one of the world's leading manufacturers of oral contraceptives) reports a further improvement in the first half of this year.

Group sales, at DM760m, rose by 11.1 per cent. compared with the same period in 1972, thus slightly exceeding the growth rate for the whole of 1972. Export performance in the domestic economy (total sales DM550m. in the first half-year) was even better: at DM235m. they represent a 15.4 per cent. increase compared with the previous year.

The proposed merger between the major manufacturer of aircraft engines and helicopters and the diversified oil producer would, according to Signal Companies' shareholders receiving one convertible preferred share of UAC for every three shares of Signal's common stock. Signal companies' stock currently trading at \$21.25 a share would be worth a total of \$418.6m. down from \$471m. when the merger was announced. UAC is being traded at \$86 a share.

The management hopes that in spite of the burden of increased costs, the Government's stability measures and the currency changes in 1973 will once again close with a satisfactory result. Last year Schering profits rose by 19 per cent. to DM51.4m. and a dividend of 20 per cent. was paid for the fourth year running.

SABA doubles pre-tax earnings

SKANDINAVISKA Aluminium Proffler AB (SABA), the Swedish metal extrusion company which recently opened a plant in the U.K., has reported first-half pre-tax earnings of Sw.Frs.5.8m., a 61 per cent. increase on the same period of last year. Turnover rose by 34 per cent. to Sw.Frs.43.9m. In his report, the managing director, Mr. Lars G. Bergengren, says that the Swedish market for aluminium extrusions has risen sharply so far this year. SABA claims a 50 per cent. share of the Swedish market and imports hold further 25 per cent.

Total consumption is expected to rise by a fifth to a record 21,000 tonnes, although export side prices are likely to rise further because of dearer raw materials.

One will be of Y16.200m. at par with rights on a three-for-one basis. The remaining Y800m. will be placed by a public offering of 16m. shares at about the Bourse price, he said.

Referring to the Price Justification Tribunal's hearing about an application for a 9.4 per cent. increase in steel prices, Sir Ian said the Tribunal's reaction would have a considerable bear-



The Boeing 747SP model has a shorter fuselage than the basic version of the Jumbo Jet. With a range of almost 7,000 miles non-stop it could give Pan Am a significant advantage over other carriers unless they accelerate their decisions on purchasing policy.

Pan Am asks the questions

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MANY MAJOR airlines throughout the world, including British Airways in the U.K., will be obliged quickly to rethink their aircraft purchasing policies in the wake of the decision by Pan American World Airways to buy the new Boeing 747SP (Special Purpose) version of the Jumbo jet.

Pan Am's decision, announced late on Monday, is to buy 10 of these aircraft, worth \$280m. (over \$160m.) including spares and support equipment, for delivery from the first quarter of 1976, with options on another 15 aircraft for delivery between 1977 and 1978. It already has 32 of the basic version of the Jumbo jet.

Pan Am has obviously been able to convince its bankers that whilst there is no future in spending money on Concordes at this time, there is every reason for going full out on new subsonic aeroplanes to meet a special type of demand that is now emerging in the world airline industry.

What is so significant about this decision is that the 747SP is a very long-range aircraft, with capability of flying nearly 7,000 miles non-stop. It is a smaller aircraft than the basic Jumbo jet, in that its fuselage is 47 feet shorter. As a result, its passenger load is smaller, 280 passengers against the normal Jumbo jet load of 360 passengers-plus (in some cases going up to 500).

Thus, over the next few months, British Airways and a wide range of other airlines with long-haul routes—Trans World Airlines, Qantas, Lufthansa, KLM, SAS, Japan Air Lines and El Al Israel to name just a few—will have to take a long hard look at their requirements, and place orders quickly if they do not want to be left at a competitive disadvantage to Pan Am.

Boeing's view is that it may

well sell 200 or more of the 747SPs alone over the next few years, and it will be building the standard 747s (which will continue to be built) on its line at Everett, north of Seattle.

So far, apart from the 747SPs, Boeing has logged orders for nearly 240 Jumbo jets, and has delivered 214 of them. The new McDonnell Douglas DC-10.

SP model will help to revitalise the line, and will give Boeing a much stronger industrial base upon which to develop other versions of the aeroplane.

It is thinking, for example, for an extended fuselage model capable of carrying up to 700 passengers. It is already also building a short-range model.

The 747SP has also other advantages. One of the most important is that because of its lighter gross weight (it weighs 225,000 lbs less than the basic Jumbo), and because of improvements to the Pratt & Whitney JT9D-7 engines, it will use 15-20 per cent. less fuel than the basic Jumbo.

Thus, over the next few months, British Airways and a wide range of other airlines with long-haul routes—Trans World Airlines, Qantas, Lufthansa, KLM, SAS, Japan Air Lines and El Al Israel to name just a few—will have to take a long hard look at their requirements, and place orders quickly if they do not want to be left at a competitive disadvantage to Pan Am.

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SELECTED EUROSOLAR BOND PRICES MID-DAY INDICATIONS

	Offer	Offer	Offer
Anglo American Tinc 1987	\$3	\$41	\$41
Ashland Sec 1987	\$4	\$41	\$41
Bayer Corp 1987	\$5	\$5	\$5
British Land Corp 1987	\$6	\$6	\$6
Cathay Schw 1987	\$6	\$6	\$6

FARMING AND RAW MATERIALS

Australian wool prices decline

Our Commodities Staff
OL PRICES fell at the bourse and Sydney auctions yesterday, the first wool sales since the revaluation of the Australian currency was announced.

Melbourne prices paid for fine fleece wool were up to 1 per cent easier on last week's opening rate, while in Sydney they were 5.5 per cent down compared with the Newcastle auction last week. There was good buying competition at both sales, mainly Eastern Europe and EEC countries, and clearances around 90 per cent of the offerings, even before the Australian auction. It was generally anticipated that auction prices would continue to lose ground, mainly in view of the high rest rates encouraging bidding by consumers.

New world farm trade system call

Our Commodities Staff
ASHLEY WINEGARTEN, National Farmers' Unionity director and chief economist, said yesterday he did not believe world food prices would fall back to 1971-72 levels, even if individual foodstuffs went up and down with changes in the balance of supply and demand.

He called for a completely new form of regulating world trade in food and agricultural commodities. America could no longer be relied on to act as a wegranary for foodstuffs for a shortage emergency and he said.

AUSTRALIA SEEKS HEAT DEAL WITH CHINA

Australia was negotiating with a new wheat deal, but had yet been signed with China from the 1973-74 start. It was announced at a meeting of the United Farmers' Woolgrowers' Association in Sydney yesterday.

Spokesman for the Australian Board told the meeting South-East Asia was a good market for Australian wool. Providing the region will be supplied with "good, dry wheat" there should be no problems building a market there.

Perth State Minister for Agriculture, Hywel Evans, said Australia was well on the way to establishing a wheat production record.

In Denmark the hatchings declined 6.4 per cent suggesting that Danish producers do not

Copper prices higher on Chile supply fears

BY JOHN EDWARDS

COPPER PRICES climbed on the London Metal Exchange following news of the reported ousting of President Allende of Chile. Prices were easier during the day and were slow to react to the news from Chile, so the closing price for three-month wirebars was only £25 higher at £788 a metric ton. But in late herb and inter-office dealings, values climbed steadily to reach £789 and the New York copper market turned from being 1.40 cents a pound lower to the permissible limit of 3 cents higher.

In fact there are mixed views about the situation in Chile, with much depending on the reaction in the country. Amongst the miners workers are still loyal to the Marxist Dr. Allende from office. Chile is the second biggest exporter of copper in the world, so any serious disruption in production or supplies would obviously have a serious impact at a time when copper is already scarce and prices at peak levels.

However, the recent political strife, labour disputes and tech-

nical problems in the copper mines have resulted in serious production shortfalls and considerable delays in deliveries. Output in the first eight months of this year at 360,103 tons was some 25,000 tons below target. In the longer term, therefore, it is felt that a new Government in Chile might improve the present poor situation.

But one of the main problems to be overcome is the loss of technical staff, expertise and suitable machinery that followed the nationalisation of the previous U.S.-company-owned mines in Chile by Dr. Allende.

At the same time that there is a good deal of political support for Dr. Allende's Government, it is understood that there is a good deal of support for the copper miners. So much will depend on which Government has taken over, and how much power it will exercise in deciding the likely disruption in copper supplies.

The timing is particularly

Promise of cheaper apples

By Our Commodities Staff

A GOOD CROP of home-grown apples this season, and consequently lower prices than last year, were forecast yesterday by a spokesman for the National Federation of Fruit and Potato Traders.

Mr. Matthew Mack said that all the main apple-growing areas in Britain were expecting a good crop of Cox's following the rain in July that had come just at the right time. Supplies of early Worcester, reaching the market shortly, should be good as well.

Meanwhile, copper prices were initially depressed yesterday by President Nixon's announcement in his statement to Congress that the Administration would press forward with a Bill authorising the sale of over 250,000 short tons of copper from the U.S. stockpile. Both the Senate and House committees chairman yesterday said they planned to push through the copper stockpile Bill for action in the near future.

Further settlement in the Canadian railway dispute in Vancouver should help ease the cutbacks in shipments of copper, lead and zinc from West Canada.

Generally it was expected that apple prices would be a good deal lower than last year, when the home-grown crop was poor and supplies scarce. Mr. Mack said, however, that supplies of home-grown pears would probably not be too plentiful because of crop damage by a "plague" of bullfinches.

Cabbages might also be short,

following a drop in plantings,

but other vegetables should be in plentiful supply. Although the present glut of tomatoes is expected to evaporate soon, the present hot weather is expected to keep up supplies of home-grown and Channel Islands tomatoes for longer than usual and delay deliveries from Spain.

SPANISH CITRUS EXPORTS

Bumper crop spells gloom for growers

BY A CORRESPONDENT

SPANISH citrus growers are anticipating that the coming crop is going to be much less than the last one, thereby hoping to excite exporters into paying more for fruit "on the tree."

Producers are issuing forecasts that output of naval oranges will be as much as 40 per cent. down on last year, when the country harvested an all-time record citrus crop of 3m. tons, of which about 1.5m. tons, also a record, were exported.

Those unimpressed by the growers' claims point out that if there were any foundation for such forecasts the exporters, who have by now done their rounds of the citrus groves and seen what is developing, would be buying up furiously. Instead, they are showing little interest and prices are low.

Different view

Certainly other sources give a quite different—and for the industry much more depressing—view of the prospects. Analysts of Spanish citrus prices say a special commission was appointed to study what action could be taken this year, in anticipation of an even heavier crop than that of 1972—expected, barring natural mishaps, to be some 3.3m. tons.

Since only 850,000 tons will be needed for home consumption, 200,000 for juice-making, 61,000 tons for canning and 220,000 allowed for as waste or loss, over 2m. tons will be available for export, which is way above the most optimistic notions of what Spain can sell abroad; that is, fulfilling some spectacular and so far unforeseen shortfalls among her major competitors.

The short-term answer to the problem is likely to be a repetition of Government hand-outs of around £5m. to producers who, with tiny farms yielding fruit worth only 2 or 3 pence a kilo, would otherwise face starvation.

Another measure aimed at

both short- and long-term relief is that of strengthening the publicity drive. Last year's effort in the major European markets, conducted by a British agency with a budget of some £350,000, was not judged a great success, so the spending this year will

quantity of extra oranges people can be persuaded to eat through the publicity drive. Last year's effort in the major European markets, conducted by a British agency with a budget of some £350,000, was not judged a great success, so the spending this year will

Israel supplies up 20%

TEL AVIV, Sept. 11.

The quantity of Jaffa oranges expected to be available for export from Israel during the 1973-74 season is forecast at 190,000 metric tons—or 32 per cent. more than in the past season when frost damage cut sharply into available quantities. The overall increase in the quantity of citrus expected to be shipped abroad is 20 per cent. 1.65m. tons as against 869,000 in 1972-73.

However, little change is seen in exports of navelines—the first crop sent abroad each year (22,000 tons) are again 22,000 last year, with shipping expected to start at end October/beginning November. Grapefruit exports, due to begin within the next week, are seen at 273,000 tons, 10 per cent. up.

be stepped up and other agencies have been appointed to carry it out.

Over the past two seasons Spain has stepped up its expenditure on international citrus promotion substantially. Even so, the budget proposed for the coming season, of around £700,000, would need to be twice as large as last year to meet the needs of the strain on Spanish exports. But canning the stumps and selling it are two different things and it is not yet sure that Spain can market juice competitively and still make a profit.

But in the meantime, however gloomy the outlook may be for growers, buyers and consumers of Spanish citrus exports can at least look forward to some relief from the inflationary rises affecting most other foodstuffs.

Other uses

Apart from trying to bring about international agreement to halt further growth of production, Spain's best chance of dealing with the excess that threatens to swamp the European fresh fruit market would seem to lie in diverting oranges to other uses.

Juice-makers have recently been pressing for more co-operation from the Government and the citrus industry in making better use of their resources, which are at present under-employed. They claim that juice-making would absorb enough fruit to take most of the strain on Spanish exports. But canning the stumps and selling it are two different things and it is not yet

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EEC broiler hatchings up 9%

BY OUR COMMODITIES STAFF

THIS YEAR'S big upsurge in prices of animal feeding stuffs appears to have had little effect on production planning in the West European broiler chicken industry.

Broiler chick hatchings in the first six months of this year were 9 per cent. up on the corresponding period of 1972, reports Agric Europe, adding that the figure could be even larger in terms of weight produced since there is a significant trend to a heavier type of bird for cutting and processing.

Fears that broiler prices increases triggered by the higher feed costs would hit demand have apparently proved groundless. In fact, the increases in prices for competitive meats have resulted in an expanding broiler market within Europe while buoyant demand on the international market has enabled surpluses to be disposed of readily when and where they arose.

The largest increases in hatchings were in France (up 11.8 per cent.) and Italy (up 27 per cent.), while the U.K. at 5.8 per cent. was rather under the average figure.

In Denmark the hatchings declined 6.4 per cent suggesting that Danish producers do not

rate their chances very highly on the enlarged EEC market. But they have apparently suffered heavy exports losses through the expansion in British production which, if it continues to rise at its present rate will soon exceed the level of self-sufficiency.

The uneven development of production in the various countries has led to some changes in the pattern of trade this year. West Germany remains by far the largest importer, with a slight increase in January-June to 126,233 metric tons of all poultrymeats. But the composition of the imports has changed slightly with broiler imports better than world market prices, a declining trend in U.S. poultrymeat exports may leave reasonable room for exports from Western Europe.

The European broiler picture is very different from the situation in the U.S. where hatchings in the first six months were 4 per cent. down. ?Agric? Europe suggests that with prices on the American domestic market presented by broiler imports were better than those of further north of the U.S. stockpile. The latter will be more likely to be sold at prices of around 100c. per lb. than the current 90c. per lb. of broiler meat.

Mr. Godber stressed the importance of stability in supply and demand and the danger of financing export tonnages. It is understood that he hinted Britain would react unfavourably if New Zealand failed to ensure an adequate supply of lamb for Britain in the coming season.

BY DAI HAYWARD

WELLINGTON, Sept. 11.

EFFORTS TO persuade New Zealand to maintain lamb supplies to Britain at existing or lower prices have been made by Mr. Joseph Godber, the British Minister of Agriculture, in the hope that the New Zealand Government will consider that the release of further meat from the U.S. stockpile. The latter will be more likely to be sold at prices of around 100c. per lb. than the current 90c. per lb. of broiler meat.

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BY DAI HAYWARD

WELLINGTON, Sept



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DALE When all else fails, it has to work

Haddon-Oldham will build major battery plant in Manchester

FINANCIAL TIMES REPORTER

A NEW multi-million pound plant is to be built in Manchester by Haddon-Oldham, the battery manufacturing group.

Mr. Peter Hoskins, managing director of the company, which was formed with the merger of Oldham and the Haddon Group, has told the employees that the new factory is to be built on the site of an old gasworks at Denton, where production facilities already exist.

Expansion is to take place, too, at the company's Market Harborough complex where there will be "considerable developments."

Mr. Hoskins also said that plans were in hand for the enlargement of the company's facilities at Arras, France. A new plant there has just been finished but more land has now been

acquired and a second plant is in the design stage. This could be as large as either of the two UK factories.

Any fears that output in the UK would be cut back because of the overseas manufacturing operation were groundless, Mr. Hoskins said. He commented: "If any company is going to survive and grow, if its jobs are to be secure and if the younger members of the company are to have the opportunities they want, wherever it sees a profitable market it must go out and get it."

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Comprehensive plans 'too often in jeopardy'

THE GOVERNMENT has been slow to reorganise indicates that they are permitting the comprehensive reform to continue," said Mrs. Benn.

Mrs. Caroline Benn, information officer of the Campaign for Comprehensive Education, said that between February and July this year the rejection rate rose to 28 per cent, a rate which, if continued, would destroy meaningful reorganisation in secondary education.

Mrs. Benn, wife of Mr. Anthony Wedgwood Benn, "Shadow" Trade and Industry Secretary, was addressing a "Comprehensive—not Co-existence" symposium in London, organised by the National Union of Teachers and the Campaign for Comprehensive Education.

Up to August 3, she said, 310 schools out of 3,220 applications had been rejected by the Government.

This gave an overall rejection rate of 9 per cent since 1970, more than double the rejection rate for the period up to February this year.

"The Government has always emphasised that the large number of schools given permis-

"The significant figure, however, is not the number of schools accepted, but the number rejected."

She said the effect of refusing permission to even one school in a local authority's plan could often mean the retention of the 11-plus for the entire area and the end of any genuine reform there.

Mrs. Benn was drawing her conclusions from a survey of 123 comprehensive schools in which she set out to find out how many had to work side by side with grammar schools and the effects of this co-existence.

A questionnaire sent to one in ten comprehensive schools in England and Wales showed that just over half were co-existing with grammar schools. In England the figure was three out of five.

More than two-thirds of all existing schools claimed they were handicapped by the presence of grammar schools in their areas.

More criticism of Mrs. Margaret Thatcher, the Education Secretary, and her Department came from Mr. Max Morris, president of the NUT.

He said his union took a "very serious view" of current trends of educational development, including the reduction of places in higher education, a negative comprehensive policy and the prevention of any major class size reduction.

Mr. Malbert, a trustee of the Foundation, says it is the business of the businessman to run a profitable company, just as generals should win battles and physicians cure. Businessmen have been persuaded that they are "not really quite respectable," he asserts, and blame them for being too slow in stating their case, which he sees as making as much money as they can "within certain confines."

"We all know of the companies that have become so obsessed with their status, their names ringing like a national anthem, convinced of their immortality, that they have collapsed into a squall little heap of soiled paper, to the astonishment of those who were supposed to be running them," he said.

The Board Responsible to Who? Foundation for Business Responsibilities, Room 18-1, Portland House, Stag Place, S.W.1. Price 40p.

U.K. buoys for Libyan oil

By Our Own Correspondent
GLASGOW, September 11.

THE FIRST two single point mooring buoys to be made in the U.K. for the oil industry, leave the Clyde on tow to-morrow for a location off the Libyan coast. Built by Alexander Stephen Engineering of Linthouse, the buoys, each about 250ft long, 45ft high, at least 40ft in diameter, and weigh 174 tons and 132 tons respectively.

Their removal from Stephen's workshops only two miles to King George V Dock alone cost £10,000. A rough roadway from the workshops had to be cleared to the dock for heavy transport to make the day-long journey.

The buoys enable crude oil to be pumped from the oil field to tankers via a seabed pipeline. They can also unload tankers and pump ashore.

"This contract represents a new field for Stephen Engineering," said Mr. J. Evans, managing director. "It has taken some time to make the buoys and we are now preparing tenders for similar treatment."

Busy month at Yeadon airport

PASSENGER TRAFFIC using Leeds-Bradford Airport at Yeadon continues to increase.

In August, the airport's busiest month, there was a 3.4 per cent rise over 1972's figures, bringing an 8.5 per cent increase for the year so far.

In the first eight months of the year, 193,341 passengers used the airport, 15,000 more than in the same period in 1972.

Airlines are showing interest in new routes out of Yeadon. There are applications for routes to Paris, Brussels, and Scottish airports, and the newly-formed Severn Airways has applied to open a service to Bristol. It plans to operate flights twice daily from Monday to Friday.

SHIPBUILDING AND FINANCE

The Financial Times will publish a survey on Shipbuilding and Finance on Tuesday, 9th October 1973. The following indicates the proposed editorial content:

1. INTRODUCTION

The challenge facing shipbuilders, shipowners and the finance institutions in financing the huge ships now being ordered, with individual vessels costing up to £30m. or more.

2. SOURCES OF FINANCE

The various forms of financing available in the free international market.

3. U.S. BANKS

The growing interest of U.S. banks in shipbuilding and shipping finance and the extension of their interest to the London market.

4. LEASING

The growth of ship leasing, particularly in the container ship and containers field.

5. GOVERNMENT POLICY

The present state of Government policy towards assistance for modernisation and finance, including the cheap credit available for shipowners ordering vessels in Britain.

6. GOVERNMENT AID

A comparison of aid available in the U.K. with that of other major shipbuilding nations—Germany, Scandinavia, France, Spain and Japan.

7. EEC POLICY

The low profitability of shipyards internationally and the dependence on Government support. Moves towards a common EEC policy on shipbuilding.

8. JAPAN

The predominance of Japan as a shipbuilding nation.

9. DECISION MAKING

How bankers and other lenders make their decisions on financing against the background of the fluctuating state of international shipping earnings. The "collateral security" of freight contracts.

10. LOAN AGREEMENTS

The growth of loan agreements with multi-currency clauses.

11. THE CITY OF LONDON

remains the main centre for shipbuilding and shipping finance. A review of how London has maintained this position.

12. INSURANCE

The role of insurance bodies, including Lloyd's, in ship financing and their attitudes towards such huge individual risks.

For further information and advertisement rates, please telephone 01-248 8000, Ext. 268.

INTERIM STATEMENT

Reckitt & Colman

Interim unaudited financial statement for the six months ended 30th June 1973

	1972	first half-year 1973	first half-year 1972
full year £000	213,690	59,800	122,500
24,958	10,950	710	13,320
1,140	4,780	—	590
23,819	10,240	—	12,730
10,640	4,780	—	6,880
13,179	5,480	450	Profit before Tax Tax (notes 2 & 3)
923	—	—	8,050
12,256	5,030	110	Attributable to minority interests
225	—	—	540
12,031	4,920	—	Attributable to the Group Preference Dividend (1972 gross: 1973 net)
20.3p	8.3p	—	8.510
			80
4,591	2,180	—	Earnings attributable to Ordinary Shareholders
310	570	—	5,430
			9.1p
2,140	540	—	NOTES
7,892	3,770	—	1. Trading profit is stated after charging:
573	450	—	Depreciation
11,006	4,780	—	Exchange Differences
365	—	—	2. Tax consists of:
			UK Corporation Tax (net after relief for overseas tax)
			Overseas Tax
			Tax equalisation
10,640	4,760	—	3. The rate of UK Corporation tax from 1st April 1973 has been assumed to be 50%. UK tax for the first half of 1973 has been calculated at the estimated average rate for the year as a whole compared with 40% in 1972.
			4. The results for the full year 1972 were before crediting an extraordinary item not applicable to current trading of £4,497,000, being the net increase arising from the conversion of overseas assets and liabilities into sterling following major realignments of currencies in that year.
			5. Transitional ACT relief
			6,880

Unaudited first half-year's results for 1973 compare very favourably with those for the same period of 1972 and show the following increases:

Sales to customers £22,700,000 23.7%
Trading Profit £2,370,000 31.6%

Profit before Tax £2,000,000 24.3%

These increases have been achieved despite the fact that during the period there were considerable fluctuations in rates of exchange, with exchange differences adversely affecting results to the extent of £1,020,000. These differences have been charged to Trading Profit. The conversion of overseas currencies reflects the rates of exchange which applied at 30th June 1973. Major factors giving rise to exchange differences were the weakness then of the US dollar, which was significant to the Group because of the size of our interests in the United States, and the strength of the Deutsche Mark which affected certain of the Group's Continental financing obligations.

Because the pound is floating in relation to other currencies it is not possible to predict the amount of exchange differences for the full year and, in the event, these may be more, or less, than the amount shown for the first half of the year.

The higher UK tax rate in 1973, resulting from the new Corporation Tax system, affects comparison of earnings attributable to ordinary shareholders and of earnings per share, with those in 1972. Had the system been the same for the two half years both earnings and earnings per share would have been some 15% higher than for the corresponding period last year.

Subject to what I have said about exchange differences, I expect profit before tax for the year as a whole, to show a good improvement over that for the previous year.

Today your Directors declared an interim dividend for 1973 of 13.5 pence per ordinary share, making with the related tax credit a total of 4.5 pence per share (1972, 4.5 pence per share). They also resolved that the half-yearly dividend due on the 31st (formerly 5th) January 1974 Cumulative Preference Shares be paid. The ordinary dividend will be paid on 2nd January 1974 and the preference dividend on 1st January 1974 to shareholders on the respective registers as at the close of business on 1st November 1973. The ordinary dividend will absorb £1,886,260 and the preference dividend £78,750.

RECKITT & COLMAN LIMITED, BURLINGTON LANE, LONDON W4

JAPIC 15/9

The Financial Times Wednesday September 12 1973

ANNUAL STATEMENTS—continued

SCHERING AGBERLIN & BERGMANN/FEDERAL REPUBLIC OF GERMANY
(Pharmaceuticals, Plant Protection Agents, etc.)**CONTINUED PROGRESS AND AN UPWARD EXPORT TREND**

L Annual General Meeting of capital of this company was held in Berlin on June 21st, 1973 and the results for 1972 showing are details of the did not come up to expectation port presented by the Board mainly because of increased costs through price increases.

R Review Nienburger Gelatine GmbH: In the year under review, the sales of the company fell by 9.7 per cent. since the unfavourable market trend for gelatine which began in 1971 continued.

L Leichter-Chemie GmbH: This company paid over DM1.2m. to SCHERING AG from the 1971 earnings. There was an improvement in results in the year under review so that a somewhat higher amount is anticipated for 1972.

P Propaganda Schering Solvay Duromer OHG: This newly formed company is now operating the business previously carried out by Schering Solvay Duromer Chemie GmbH. There have been steady developments in sales in the year under review and well balanced results were achieved.

I Investments Development has continued of the plant facilities and the expansion and modernisation of the apparatus for equipping the laboratories, development and production works. Taking into account buildings and plant, additions to fixed assets were DM152.4m. while in the previous year DM166.3m. were invested.

R Research In the field of pharmaceutical research, an intensive work con-

tinued on the cultural and scientific programme, in the know-how which has been acquired during the past decades. By extending basic research especially in the pharmacology and biochemistry of active ingredients, the essential conditions for achieving decisive progress in the fields of therapy, prophylaxis and diagnosis should be created. The extension of the research programme necessitated a further increase in the number of employees. At the end of 1972, 1,856 people were employed in the Research and Development departments (excluding laboratory apprentices), among them 265 with degrees. Expenditure for research and development amounted to DM98.0m. in 1972. This represents an increase of 16.8 per cent compared with the total of DM82.1m. in 1971. Expenditure on research rose by 11.8 per cent of SCHERING AG's turnover compared with 11.2 per cent in 1971. In the year under review DM37.7m were invested in developing installations for research and development compared with DM38.5m. in the previous year.

F Finance Capital investments by the company amounted to DM1.3m., showing an increase of 9.9 per cent compared with 1971.

I Industrial Chemicals: With a Group turnover of DM26.1m. the increase amounted to 18.4 per cent compared with 1971. The growth of the synthetic resins range is satisfactory and came up to expectations.

D Domestic subsidiaries SCHERING AG: This company deals only with the administration of participations in foreign producing and marketing companies operating within the SCHERING Group. The company has increased the capital by DM38m. DM105m. to enable tax savings ordered by the new statutory regulations to be claimed. All losses have been taken over by SCHERING AG at their nominal value. The loss for the year DM3.1m. was transferred to the Parent Company in accordance with the Management Profit Transfer Agreement.

F F. Asche and Co. AG: During the year under review, capital of this company has increased to DM10.0m. from

the company's funds. In the case of 1972, a Management Agreement was concluded between SCHERING AG and F. Asche and Co. AG on the basis of which the profit earned by this company will be transferred to SCHERING AG accounts for the first time. In addition a 10 per cent dividend was paid on the increased capital in the company's 1971 financial year.

C Concordiaberg AG: This company continued the winding up measures during the 1972 financial year which resulted in the suspension of its trading activities in 1968. The total of the "Düsseldorf" was increased from a pre-tax of DM3.15m. to a total of 10.0m. and the capital of the main works Curtis GmbH in Düsseldorf from DM0.4m. to 8.0m. The consolidated turnover of the Concordiaberg Group increased by 13.5 per cent from DM7.4m. in 1971 to DM7.9m. in 1972. Earnings per share of DM1.0m. compared with DM1.3m. in the previous year. During the year under review this profit was distributed to shareholders. Operations were successful in 1972.

A Ar-Rakoll Chemie GmbH: The

Labour's state-run insurance plans criticised

BY MICHAEL BLANDEN

L LABOUR PARTY proposals for State ownership of the insurance industry were strongly criticised yesterday by Mr. D. W. A. Donald, general manager and actuary of Standard Life Assurance.

R Mr. Donald hoped that "better sense" would prevail when the Labour Study Group's "green paper" was debated at the forthcoming party conference.

P Propaganda

"Meantime, however," he said, "the authors should either spell out in much greater detail how they think nationalisation can improve the lot of all policyholders or refrain from propaganda which might be said to exhibit the unacceptable face of politics."

I Investments His statement, made at a Press conference yesterday, Mr. Donald drew attention particularly to the position of the mutual companies in the industry.

R He referred to Mr. Ian Mikardo's claim, in introducing the Labour paper, that as a result "you, Joe Bloggs, will get a better deal from your bank, your insurance company and your building society than you are getting now."

D Directors Mr. Donald said: "Incredibly, the study group has ignored the fact that about 35 per cent of life assurance business in Great Britain is in the hands of mutual companies—that is companies without any share capital and managed entirely for the benefit of their profit-sharing policy-

holders." More closely, his thesis more closely did not support the thesis that such conditions would benefit policyholders, McDonald said.

R On the expenses side, he suggested that money could be saved only by drastic reductions in the standard of service. "Whether Joe Bloggs would regard service of this kind at a cut rate as being a better deal" is doubtful."

I Investments Subject to receipt of necessary Japanese Government approval, the joint company is to be established next month.

R Nippon and Mitsubishi's role in the venture will be to provide food, management and sites. Berni will own 40 per cent of the equity, Nippon Meat 40 per cent, and Mitsubishi the balance.

The first steak house is to be situated in Tokyo's Roppongi district—equivalent to London's West End. Yesterday's announcement also disclosed that there are now plans for three further branches to be opened next year, with expansion throughout Japan to follow until there are at least 50 branches in major Japanese cities within five years.

Nippon and Mitsubishi's role in the venture will be to provide food, management and sites. Berni will ensure that the character and atmosphere of its restaurants are maintained. To achieve this, all fixtures, fittings and equipment are to be shipped to Japan from the U.K.

D Directors Berni will also be a director, as will Mr. Claude Bowell, Berni's group director of operations.

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Airlines hope for accord on new Atlantic fares

MICHAEL DONNE, AEROSPACE CORRESPONDENT

ATLANTIC AIRLINES meeting on request for an extension of the court's 22-day deadline is hopeful of an agreement within the few weeks.

It seems almost certain to end on maintaining the existing structure with small see in some rates, such as 245 days return round.

Atlantic airlines do not seem to be unduly concerned by the problems facing the Aeronautics Board in the which has been told by aington appeals court to drop their approval of the existing Atlantic fares agree-

ment. The CAB's request to the for their views on future policy is being taken into account at the Nice conference, being pointed out strongly in the scenes that the domestic legal problems own affair.

Actionable

It is pointed out that other than the view on the CAB do not, and will not, take effect by the time the CAB's decision to prevail on the North view is understood to have been conveyed to the U.S. as well as by airlines. In any event, the airlines' passport will be normal service, the Post Office.

Passports at post offices

THE PUBLIC will be able to get visitors' passports through a "while you wait" service at Post Offices from January 1. The Department of Employment is also giving up handling £1.50 passports—valid for a year—hitherto been issued by the Passport Office, in Petty France, Westminster, from

applications will fill in an application form and hand it to a Junior Department of Employment counter clerk with two passport photographs, the fee and a birth certificate, pension book, or work because it made demands Health Service medical card for which impeded the development identification. "While you wait" of the employment service, said

that even if the CAB's

This announcement appears as a matter of record only.

Bética de Autopistas S.A.

(Concesionaria del Estado)

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Compagnie Financière de la Deutsche Bank AG

and provided by

COMPAGNIE FINANCIERE DE LA DEUTSCHE BANK AG

HYPOBANK INTERNATIONAL S.A.

COMMERZBANK INTERNATIONAL S.A.

BHF-BANK-DGK INTERNATIONAL S.A.

VEREINSBANK IN HAMBURG INTERNATIONALE S.A.

These Bonds have been offered and sold exclusively in Japan.

This announcement appears as a matter of record only.

August 21, 1973

¥10,000,000,000

THE UNITED MEXICAN STATES

(Mexico)

1.9% Yen Bonds of The United Mexican States for Economic Development (1973)

The Nikko Securities Co., Ltd.

Nikko Securities Co., Ltd.

The Daiwa Securities Co., Ltd.

Yamaichi Securities Co., Ltd.

Nippon Kangyo Kaihatsu Securities Co., Ltd.

New Japan Securities Co., Ltd.

Koya Securities Co., Ltd.

Koa Securities Co., Ltd.

Marusan Securities Co., Ltd.

Natane Securities Co., Ltd.

Okasan Securities Co., Ltd.

Yachio Securities Co., Ltd.

Kobe Securities Co., Ltd.

The Kaisei Securities Co., Ltd.

Koyanagi Securities Co., Ltd.

Chiyoda Securities Co., Ltd.

Tokyo Securities Co., Ltd.

Toyo Securities Co., Ltd.

Komaruya Securities Co., Ltd.

Ichiyoshi Securities Co., Ltd.

Maruman Securities Co., Ltd.

Toko Securities Co., Ltd.

Mito Securities Co., Ltd.

The National Securities Co., Ltd.

Towa Securities Co., Ltd.

N. England airports study ordered

By Michael Donne,
Aerospace Correspondent

THE CIVIL Aviation Authority has commissioned a study of airports in the North of England, with a view to finding out how they may be developed to meet future air traffic growth.

It will be carried out by Alan Stratford and Associates, in conjunction with Maxwell Stamp Associates, who will finish their work in early 1974.

The study will prepare forecasts of the demand for air travel in the North of England for the period up to 1990, and the need for new airports and associated road and rail links.

Particular attention will be paid to the roles of existing airports at Newcastle, Teesside and Carlisle, especially in relation to industrial development of the areas they serve.

The study will cover the expansion of cargo traffic and "general aviation"—light personal and business aircraft movements—as well as air transports needs.

The Trent Bus Company has announced cuts in some services in the Nottingham area because of a shortage of staff. The company said it hoped services would be back to normal within a few weeks.

BUILDING LAND AND SITES

BUILDING LAND WEST SUSSEX

To be Sold by Auction at Warnes Hotel, Worthing, on Thursday, 18th October, 1973 (unless previously sold)

IN TWO LOTS

CENTRAL WORTHING

Close to the sea and station

PULBOROUGH

Overlooking river and close main line station

EXCEPTIONALLY FINE FLAT SITE

approved for 109 FLATS

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37 Ship Street,

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41 Chapel Road,

Worthing.

Tel. 0903-30121.

BUSINESS OPPORTUNITIES

NOTICE

The National Marine Superintendence of Brazil will receive until 20th September 1973, letters from worldwide shipping companies and from enterprises with international experience in the activities of ship repairs, disposing effectively in operations docking facilities over 200,000 T.D.W., which are interested to participate in the

SHIP REPAIR CENTRE

in process of formation in Brazil. The Ship Repair Centre referred to above, must dispose of a capacity to perform repairs of ships up to 400,000 T.D.W. The enterprises selected will have participation in the capital and will be co-responsible in the elaboration of the project and in the implementation and operation of the Ship Repair Centre.

Letters should be addressed to Superintendencia Nacional da Marinha Mercante, Attn. Chefe do Gabinete, Av. Rio Branco 115, 14 andar, RIO DE JANEIRO, Brazil.

ARE YOU LOOKING AT THE RECREATION MARKET

Leisure and recreation is a relatively new area for investigation and development—and if your decisions are based upon accurate information it is not a high risk area. We are specialists in leisure and recreation and our service includes professional advice on market potential, site selection, development, design and management of recreation complexes. In other words we aim to reduce the risk in decision making and to improve investment profits. For more information contact:

John L. Crompton, Manager, LOUGHBOROUGH RECREATION PLANNING CONSULTANTS LIMITED, 1, The Canaries, Loughborough, Leicestershire. Telephone: 05093 5439/68788

SAVE CAPITAL—

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Highly successful specialty sales company requires further products to complement and expand its range. National coverage—through regional offices, advertising, exhibitions, direct mail—and a very experienced sales force. Own warehousing and distribution facilities. Write Box E.1137, Financial Times, 10, Cannon Street, EC4P 4BY.

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IN ENTERPRISES WITH ANNUAL TURNOVER OF £30m.-£150m.

Enquiries only from directly interested parties on mutually confidential basis.

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W. Germany.

HAMBURG BUYING HOUSE

with many years experience in supplying overseas clients with wide range German Hardware, Building Supplies, Tools and Consumer Goods now anxious offer similar service to U.K. importers. Write Box E.1138, Financial Times, 10, Cannon Street, EC4P 4BY.

The real-estate department of a productive GERMAN BANK (joint-stock company) seeks for the sale of residential property and commercial buildings on a large scale in the German Federal Republic British partners as agents.

KREDITBANK GLADBACH AG.

Bismarckstr. 50-52 D 4050 Mönchengladbach

LOOKING FOR A NEW PRODUCT?

We have one too many and wish to sell our Taverner line of porch lanterns. Annual sales £35,000. Manufacturing entails light press, fabrication and assembly work. We are part of a public group and need a quick sale. Write for full details to J. Brauer Limited, Grove Road, Harpenden, Hertfordshire

COMMON MARKET PARTNERSHIP

Exceptionally experienced Ex-National Director of British-headquartered family-run farm estate—seeks partnership with progressive U.K. based concern capable of exploiting unique Common Market connections and opportunities for joint ventures and trading with Holland, Belgium and Germany should respond. Since less important than potential, contacts forthcoming—please reply in confidence, in writing, to:

NORRIS GILBERT, STERN & CO.
Chartered Accountants,
20 Regent Street, London, SW1Y 4PY

ACTIVE DIRECTOR

Want Commercial/Financial Experience (recently sold out) has substantial funds for venture projects; or available as emissary for negotiations. Write Box E.1146, Financial Times, 10 Cannon Street, EC4P 4BY.

PRIVATE INDUSTRIAL COMPANY

want pre-car profit of £800,000, wishes to revert into public company with substantial assets. Further details available to seriously interested parties. Write Box E.1064, Financial Times, 10, Cannon Street, EC4P 4BY.

Do you control a Unit or Investment Trust or a publicly quoted Fund?

For a limited period private portfolio managers will manage the fund draft to demonstrate actual elements of market conditions. Write Box E.1139, Financial Times, 10, Cannon Street, EC4P 4BY.

SPANISH PROPERTY SALES

Principals of Consorcios Internacionales of Madrid, Spain, are looking for Spanish property, etc. to let or to write or telephone for details of large-scale developments, particularly in the Balearic Islands. No capital investment is required and no commission rates are charged. Write Box E.1140, Financial Times, 10, Cannon Street, EC4P 4BY.

PARENT double喜樂 metal and plastic universally used. Patentes, Oberwesel, Write Box E.1052, Financial Times, 10, Cannon Street, EC4P 4BY.

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INTERESTING PRACTICE

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WANTED

Finance originated companies to be immigrated, preferably by shareholders. Write Box E.1142, Financial Times, 10, Cannon Street, EC4P 4BY.

WALL STREET + OVERSEAS MARKETS

Down again on tight credit fears

BY OUR WALL STREET CORRESPONDENT

THE DECLINE continued on Wall Street to-day, stretching the stock market's losing streak to three days. At 1 p.m. the Dow Jones Industrial Average was down another 8.77 to \$84.50. The Transportation Index slipped 2.21 to up \$1 to \$145, and Alliance Tire and Rubber slipped \$1 to \$10.

Canadian Oil issues faltered. Ranger Oil fell \$1 to \$35; Imperial Oil gave up \$3 to \$44; Dome Petroleum were down \$1 to \$34; Bow Valley Industries dipped \$1 to \$36; Husky Oil also shed \$1 to \$23. Syntax gave up \$1 to \$94; and Houston Oil and Minerals lost 13.97 to 7.77m. compared with 1 p.m. yesterday.

Analysts said the setback reflected several factors, including concern about tight credit conditions and high interest rates, possible losses in the oil market. Stock Market's "big name" Galmor stocks, and an extension of the recent pattern of consolidation after two weeks of fairly sharp market advances.

Blue Chips and "Glamour" issues among the weakest spots IBM dropped \$1 to \$252 in new low for the year.

All Polaroid lower were Digital Equipment off \$1 to \$86; Burroughs down \$2 to \$215; Avco Products off \$1 to \$102; and Honeywell \$4 lower at \$106.

Du Pont, also under market pressure, sagged \$3 to \$163; Union Carbide fell \$2 to \$36; and Montezano declined \$1 to \$33. Analysts attributed part of the decline in the Group to some unfavourable Press comment on the Plastics industry.

Halliburton dropped \$4 to \$162; General Electric dipped \$1 to \$56; and Xerox gave way \$2 to \$146.

But Polaroid climbed \$1 to \$104, reversing a recent weak trend.

Esso surrendered \$1 to \$171 despite a Pan American World Airways order for 10 Boeing 747s valued at about \$250m. Pan American shed \$1 to \$56.

Zapata Corp., which has not opened, was expected to trade anywhere between \$3 and \$4 higher. After the market closed yesterday Zapata said its directors authorized a tender offer for 1,500 Common shares at \$21.50 per share. The stock closed at \$21.50 yesterday.

Prices also dipped lower in continued light trading on the American S.E., where the Market Value Index was down 1.04 to 100.28. Decline sharply outdistanced advances by 485 to 175. Volume was 1.11m. shares.

McCallum Oil led the most active list and ended \$1 to \$41 on turnover of 2.1m. shares to \$23. TWA Warrants slipped \$1 to \$4 on 31,700 shares, and the third most active issue, Fox-Stunley Photo Products gained \$1 to \$43; on a volume of 24,100 shares.

OTHER MARKETS

Canada lower Canadian Stock Markets turned

lower in moderate trading yesterday morning.

The Industrial Share Index shed 0.65 to 215.68. Golds lost 1.60 to 211.88. Base Metals eased 0.30 to 102.41. Western Oils declined 0.03 to 232.33. Utilities dipped 0.19 to 142.05 and Papers gave way 1.37 to 136.71. Banks, however, firmed 0.22 to 267.34.

Rothman of Pall Mall "A" Internationals were quietly mixed, with Alcos off \$1.03 to \$18.97.

Bankers and Rubbers advanced slightly while Portfolios, Companies, Buildings, Stores, Electricals and Oils were easier.

Foods and Metals were slightly firmer, while Engineering and Chemicals were mixed.

BRUSSELS—Generally lower in quiet trading.

Banks, Motors and Rubbers

advanced slightly while Portfolios

Companies, Buildings, Stores,

Electricals and Oils were easier.

Demand for Insurance issues spread into other sectors, stimulated by the firmer dollar. Almussine followed the generally easier trend in this sector.

State Bonds were barely steady.

OSLO—Barely steady in quiet trading.

VIENNA—Generally steady in limited dealing.

MOSCOW—Mixed in fair dealing.

MILAN—Generally higher in moderately active trading.

Piat rose 2.24 to 2.314, and Sain Viscosa Lire 3.3 to 2.273.

Most other leading Industrials were firm. Pirelli SpA put on Lire 7 to 1.457. Medio-Banca further declined Lire 10 to 76,400 in Bank.

Bonds were steady.

TOKYO—Market was sharply lower again, following the overnight fall on Wall Street. The downturn was also accelerated by selling of leading issues by foreign investors. Volumes traded was 7.5m. (45m.) shares.

Textiles, Chemicals and Cement form a broad front reflecting steep falls in Domestic commodity markets.

Fudi Spanning lost Y15 to Y269.

Kurayari Y16 to Y226 and Mitsubishi Mining Cement fell back Y13 to Y243.

The lower copper price announced by Nippon Mining sent Non-ferrous Metals down. Nippon Mining shed Y15 to Y211. Dowa Mining fell Y15 to Y173 and Teijin Zink Y16 to Y173 and Y173.

Matsukata Electric were Y273 at Y610. Mitsui and Co. Y20 at Y321. Toyo Kogyo Y16 at Y304 and Soyu Y30 at Y4,880.

There were widespread losses among "large capital" stocks.

AUSTRALIA—Share prices, particularly the heavyweight Mining stocks, recovered after Monday's sharp falls. Industrials moved up marginally, while Oils were slightly stronger.

One of the best recoveries in came to \$43.50.

INDIVIDUAL DIVIDEND YIELD

Sept. 7 Aug. 31 Sept. 7, 1973

5.79 3.79 -3.25

N.Y. S. E. ALL COMMON INDEX

December 31, 1965-73

1973 Mon. Fri. Thurs. Wed. Tues.

Sept. 19 1973 21.64 21.64 21.64 21.64

High 21.64 21.64 21.64 21.64

Low 21.64 21.64 21.64 21.64

All-time high 21.64 (7/1/73)

4 all-time high 16.23 (2/4/68)

Yield 5.79

RISES AND FALLS

Last-traded Up Down Unchanged

1/2d 1/2d 1/2d

Mon. Fri. Thurs. Wed. Tues.

Sept. 19 1973 21.64 21.64 21.64 21.64

New High 21.64 21.64 21.64 21.64

Low 21.64 21.64 21.64 21.64

52.50 52.50 52.50 52.50

AMERICAN SEC MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973

1973 Mon. Fri. Thurs. Wed. Tues.

Sept. 19 1973 100.00 100.00 100.00 100.00

High 100.00 100.00 100.00 100.00

Low 100.00 100.00 100.00 100.00

52.50 52.50 52.50 52.50

COMBINED INDEX

Sept. 19 1973 52.50 52.50 52.50 52.50

High 52.50 52.50 52.50 52.50

Low 52.50 52.50 52.50 52.50

52.50 52.50 52.50 52.50

JOHANNESBURG

Sept. 11, 1973 1973

High 1973 1973 1973 1973

Low 1973 1973 1973 1973

52.50 52.50 52.50 52.50

MONTRÉAL

Sept. 11, 1973 1973 1973 1973

High 1973 1973 1973 1973

Low 1973 1973 1973 1973

52.50 52.50 52.50 52.50

OVERSEAS SHARE INFORMATION

NEW YORK

Stock Sept. 10 Sept. 11

Control Data 361c 371c Copper 181c 181c

Arco Markets 191c 191c Argo Lyman 134c 135c

Atkins Graph 111c 111c Astro 174c 174c

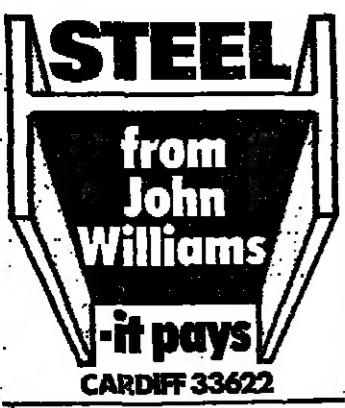
Avco Life & Car 74c 74c Avco Products 111c 111c

Axon 111c 111c Axon Alumin 111c 111c

Axon Metals 111c 111c Axon Plastics 111c 111c

Axon Plastics 111c 111c Axon Plastics 111

The Financial Times Wednesday September 12 1973



THE LEX COLUMN

Index fell 2.4 to 408.7

Plessey's overseas profits bounce

The surprise in Plessey's down, or that its future sales performance £6.8m, better at £61.5m, in recent months. Elsewhere, the U.S. quarter higher and currencies contribution is probably not converted on a quarterly basis much more than £1m: highly volume sensitive products may over the year. Overall profits are £10.7m, better at £31.5m, in the final quarter from the consolidation of the ICH holding, and that sort of figure has been wrong side of the cycle without a reversal into big losses.

No one seems willing to take all this on trust. Yet the growth responsible for roughly half the gain overseas, the U.K. has rate in overall orders is still been the powerhouse for most rather higher than it was 12 months ago, with the overseas UK manufactured sales are content up nearly a third, and only just over a tenth higher, there is plenty of momentum and non-trading items account for about a quarter of the £8.1m, in the third and £11.3m, pre-tax in the fourth.

At that rate, something like £38m, hovers in view for this year, dropping the net p/e from 12x to around 10 at 11x. Some time over the next couple of years, it is easy to see this opportunity being rued in retrospect.

Building The dynamos behind Costain's

rapid earnings growth of the past two years have been the recovery in its U.K. building division, the jump in profitability of U.K. housebuilding, building and mining are fully protected by current order books. That speaks for around a third of group profits; and the 55 per cent, or so gained overseas contains a hidden bonus in that the conversion rate used to date has been that of December 1972. This has been progressively whittled down to a rate at earnings level from £1.6m, to £1.8m, by the 267,000 drop in property dealing profits, £30,000 rise in minorities (net), and a £620,000 jump in the tax charge, which comes out at 42 per cent as against 32 last year.

The result is that the U.K. improvement is broadly based, with the odd exception like Garrard which has had a few strike problems. In particular, sales growth in telecommunications was apparently not that much greater than the U.K. average. But Plessey has crisp answers to any suggestion that telecommunications are slowing

the pattern again for at least the first half of this year, while trading and rental profits up from £2.8m, to £4.7m (against £2.4m, for full year 1972). This has been progressively whittled down to a rate at earnings level from £1.6m, to £1.8m, by the 267,000 drop in property dealing profits, £30,000 rise in minorities (net), and a £620,000 jump in the tax charge, which comes out at 42 per cent as against 32 last year.

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Lombard

Lemings, inflation and the Greeks

BY C. GORDON TETHER

WHAT ARE the lemmings thinking as they jostle one another on the trail that to lead them to collective disaster? Is it that they are hardly likely to be going the wrong way when so many of their fellow creatures are travelling in precisely the same direction?

Introducing a busman's holiday element into a tour of Greece to discuss the country's economic problems with politicians, economists and bankers. I was impressed by the Greeks' insistence on playing down their inflation problem on the grounds that it is just another manifestation of a world-wide phenomenon and—so such something to be endured rather than cured.

Up to about a year ago, Greece had record for compiling fast economic growth with monetary stability was second to none. So good was it, in fact, that it earned her the Lombard Column's "Oscar" for the best all-round economic performance in 1972. Now things are very different. Growth is proceeding as fast as ever, but inflation has reared its ugly head in a really big way.

Yet, though the Greeks naturally lament their dramatic fall from grace in the monetary stability sense, the general tendency is not to see it as something to get excited about.

Imported evil

One reason for this is that, having had no recent experience of the more acute forms of inflation, they do not realise just how difficult it is to control the evil once it acquires substantial built-in characteristics.

Then there is a widespread tendency to argue that inflation is an illusory problem rather than a real one. There can't be much wrong with the economy in the basic sense—so this theme runs—if the nation as a whole is enjoying exceptional prosperity, with capital investment booming and the balance of payments looking stronger than ever.

But most instrumental of all in persuading the Greeks—in common with so many other nations—that it is not inappropriate to adopt a relatively philosophical attitude to the near runaway inflation now afflicting them is the fact that much the same thing is happening all over the world.

This is not only because this makes it possible for them to argue that since it can be regarded to a significant extent as an imported evil, there is not much that they themselves can do about it. It is also because they find little difficulty in convincing themselves that there can't be so very much wrong in travelling road which so many other countries are also taking.

Unhappily, as with the lemmings, it does not occur to them that a journey undertaken in concert could also end in a mass catastrophe. What they also fail to realise is that, though in the early stages the problems generated by the more serious forms of inflation may appear to exist only in the minds of monetary purists, it is not long before they manifest themselves in painfully real fashion.

Side-effects

As can now be seen on all sides, once the fall in the value of money has become fast enough to acquire serious built-in characteristics, official policy has its work cut out to prevent it rapidly accelerating, let alone to reverse it. Moreover, the onset of acute distrust in paper money does not take long to generate side-effects that do get seriously in the way of sound economic progress.

In the Greek case itself, an increasing number of people are beginning to recognise the irresistible character of the case for getting out of money into real things. So the country now has a capital investment bond on its hands that is manifestly over-taxed its resources, yet which successive official "special measures" programmes are not managing to restrain. At the same time, the enthusiasm for increasing money savings that has hitherto played a large part in fuelling the Greek economic miracle has shown disquieting signs of vanishing.

The fact that inflation has become an international phenomenon ought indeed, to be seen by individual countries as making it more vital to combat it in every possible way—not as a reason for becoming more resigned to it. Greece herself has been wrong not to take advantage of the contribution that revaluation could make to containing imported inflation—failing to perceive that an undervalued drachma is more likely to disrupt than to promote her economic progress in the present international context. And countries seeking to minimise the risk of being engulfed by a lemming-like world inflation outcome cannot afford to make such mistakes.

Hardened French attitude raises GATT temperature

BY CHARLES SMITH

A BITTER dispute between France and the U.S. over the watered-down version of the unlikely to cause serious trouble. French proposal.

The precise terms of the draft have not been released, but it is assumed that it represents a stiffening of the Community position. The draft will be communicated to the U.S. delegation to-morrow, and a further meeting of the nine Community ministers is expected to-morrow night.

The hardening of the French position is thought to be attributable to last week's deadlock in the monetary reform negotiations in Paris.

This has cast serious doubts on hopes that the world's finance ministers agreed to adopt a developed countries," seems unlikely to cause serious trouble. A number of Latin American countries, including Cuba and members of the Andean group, is expected to-morrow night.

The terms of reference for the conference have been drafted in such a way, however, that the non-participation of some GATT member countries will not be a serious embarrassment.

The weakness of the draft declaration as it now stands is that much of its wording appears to be too general to commit the negotiators to any very definite line of approach. The draft clause on tariffs, for example,

does not even speak of negotiation on tariff reduction, but merely of "negotiation on tariffs by the employment of appropriate formulae."

This reflects a deadlock between the advocates of across-the-board tariff cuts and tariff harmonisation (advocated by the EEC) during the preparatory GATT talks in July.

If the conference surmounts its difficulties over the linkage issue the way is expected to be clear for the establishment of a GATT negotiating committee which should have its first session in early November.

NUM opens autumn pay claims

BY NOEL HOWELL, LABOUR REPORTER

THE AUTUMN round of pay negotiations—which could deteriorate in the miners' relative pay position since the Wilberforce pay settlement last year and difficulties in recruiting enough miners in some areas.

a-year pay and conditions claim, which will be lodged with the Engineering Employers Federation on Friday.

Earlier this year miners voted decisively against industrial action in opposition to Phase Two limits. Yesterday, however, leaders of the militant South Wales area of the NUM began making threatening noises in support of the new claim.

Mr. Glyn Williams, area president, who reported a call for an overtime ban from some lodges, said: "The mood of our members indicates determination to demand a settlement of our claim.

The involved in-fighting over the trade-versus-monetary issue has overshadowed what is otherwise a broad if very general measure of agreement on the aims of the new round of negotiations.

The draft declaration contains 11 paragraphs, only two of which are still subject to discussion. The second of these, relating to the handling within GATT of the problems of "least

Continued from Page 1

Bank deposit rates

said, "ought to weigh the advantage of these operations against the long term value of the overdraft service."

His view was supported by the Governor, who said he was pleased to learn that some banks have recently been taking steps to curtail this practice.

Such activities, he commented in his letter, "operate to put unnecessary pressure on money markets and are thus harmful."

The engineering industry's last pay increases, expired last month with a 5% a week increase, which took craftsmen's minimum rates to £25 for 40 hours. This compares with average weekly earnings for 40 hours of over £36.

Allowing for the fact that few engineers will benefit directly from minimum rates increases being claimed, other than by way of improved premium and holiday pay, the demands will still be far beyond whatever limits the Government introduces under Phase Three.

The Chanceller stressed in his statement the need to maintain interest rates competitive with those being offered overseas, "in order to defend the value of sterling."

He recognised the special problems of the building societies, however, and the importance for the containment of inflation that the cost of house purchase should be no higher than is absolutely necessary.

Mr. Leonard Boyle, chairman of the association, said after the Whitehall meeting that the Chancellor's move was "an honest attempt" to help the societies in their present difficulties.

They had told Mr. Barber that their mounting concern over the readiness of some banks to offer 13% per cent, or more for relatively short-term deposits of over or under £10,000. The Bank's action was therefore welcomed, but there was a feeling that it would not prove sufficient to remove the need for further rate adjustments.

The Chancellor, however, thought the £10,000 limit should act as a considerable help to societies in holding on to their investors' money. The average deposit is just under £10,000.

Continued from Page 1

Electricity prices

commercial tariffs. It already appears in industrial charges.

If this was allowed, domestic consumers would have to pay more for electricity automatically each time fuel costs rose, rather than the Boards having to go through the process of seeking Government permission for price rises including a fuel element.

Generating Board's 1973 results, also released yesterday, show a £18.3m. profit, which compares with £9.4m. in 1971-72, the year of the miners' strike.

Mr. Arthur Hawkins, the CEBG chairman, explained that improved use of fuel in the power stations and skilful operation of the power system had helped the results, saving about £16m.

ing but could also suggest that the warning of labour and materials shortages may be more than a routine caveat.

However, the group has been achieving sales growth in the volume-sensitive areas—notably construction engineering—and the buoyancy of the U.K. economy is having a predictable impact on order books. Overseas the picture is also good, with the turnaround in Australia scheduled to have a useful impact in the current half. So the target for the full year can be set at a minimum £8m. pre-tax and a prospective p/e at 97p of around 10, after a lowish tax charge looks promising for what remains something of a situation stock.

S.E. Art Society

Stock Exchange artists are reminded that the time is drawing near once again for the S.E. Art Society's annual exhibition in the Drapers Hall. Sending in day is Friday October 5, and the exhibition days are October 10-12 inclusive.

AUSTINS FOR STEEL SECTIONS

DEWSBURY 575

Weather

U.K. TO-DAY

MOSTLY fine and sunny. Clouds in Orkney and Shetland in N. and W. Scotland, dry drizzle in Orkney and Shetland.

London, S.E., Cent. S., N.W., Cent. N., England, Mid-Wales, Lakes, Isle of Man, S. Scotland, Glasgow, N. Ire. Dry, mainly sunny after mist. Wind light. May (68°F).

E. Anglia, E. and N.E. Eng. Dry, sunny spells, variable cloud at first. Wind moderate. Max. 18C (64°F).

Channel I., S.W. Eng. Dry, sunny spells. Wind moderate or fresh. Max. 18C (64°F).

Borders, Edinburgh and Scotland, Aberdeen. Dry, bright or sunny. Wind variable or S.E. Max. 16C (65°F).

Cent. Highlands, Moray F. Argyll. Dry, variable cloud, bright sunny periods. Wind variable or S. light. Max. 18C (64°F).

N.W. Scotland. Cloudy, mainly dry. Wind light. Max. 15C (59°F).

Outlook: Mainly dry, intervals.

Lightning-up: London Manchester 20.03, Glasgow Belfast 20.20.

BUSINESS CENTRES

	V'day	Mid-day	"C"	F
Amsterdam	F 16	S 21	Wandsworth	5
Athens	S 27	S 51	Melbourne	W
Bahrain	S 35	S 65	Madras	C
Bangkok	S 25	S 55	Malta	W
Belfast	S 18	S 34	Malta	W
Belgrade	S 20	S 54	Moscow	C
Berlin	F 15	S 25	Munich	C
Bern	S 18	S 42	New York	C
Besiktas	S 18	S 32	Paris	C
Bilbao	S 20	S 52	Perth	C
Bordeaux	S 25	S 52	Perth	C
Brisbane	S 21	S 48	Perth	C
Bristol	S 18	S 32	Perth	C
Budapest	S 20	S 52	Perth	C
Buenos Aires	S 21	S 48	Perth	C
Calcutta	S 21	S 48	Perth	C
Caracas	S 21	S 48	Perth	C
Cardiff	S 19	S 48	Perth	C
Colombo	S 15	S 41	Rio de Janeiro	D
Damascus	S 15	S 41	Rio de Janeiro	D
Dublin	S 15	S 41	Rio de	

The Executive's World

EDITED BY
JOHN TRAFFORD

Data networks are coming

BY ANDY MCELROY

If you are under 50 and not planning an early retirement, it seems inevitable that a similar system will be developed in Britain. The Post Office already has plans for a country-wide network, probably linking your job on a terminal linked into a similar pan-European system, by the late 1970s.

The American experience is that the cost to the subscriber will be far lower than using his own machine, or subscribing to a time-sharing computer system of the type already in use. As an example of the economics, Professor Kleinrock says that UCLA is abandoning its Sigma 7 computer and subscribing to ARPANET because it is cheaper and offers much wider facilities.

Last year a study of the needs of European users of data communications systems was carried out by PA Management Consultants on behalf of 17 European postal authorities. This showed that a ten-fold increase in the use of terminals in use in Europe can be expected by 1985, according to those that are connected to an organisation's own computer. More than 800,000 will be in use. Britain's share being 183,000 compared with a current figure of 26,300.

Another interesting forecast that was made at last week's conference was that in the early 1980s traffic by videophone would exceed the present data communications load by a factor of about eight. Dr. Sandy Fraser of Bell Telephone Laboratories, who made this prediction, pointed out that it would be the needs of industry and commerce that would cause the growth. He foresees a similar growth in Europe, although several years behind the United States.

Together, the growth of networks and the adoption of the videophone for management information could, however, mean the need for travel to a remarkable degree. Looking at the combined facilities from the viewpoint of having management time, it fits in well with sociological forecasts that some day the majority of executives will work exclusively from home, and that the practice of commuting to a central office will wane.

Of course, much will depend on the quality of the programs and software offered by a network, and that is an area where few British operators have much experience. That was the whole purpose of last week's seminar, organised by Newcastle University and financed by IBM. The seminars provide a unique opportunity for academics to meet high-level industrial research workers informally. Though this is only a "knowledge workshop system,"



Video communication systems and computer networks linked to terminals may one day permit the executive to work from home

the ninth function of its kind.

Several academics conceded that they were already having an influence on university curricula in computing science.

There is many a slip between the lecture room and commercial use in any subject, but Professor Ewan Page of Newcastle said last week that he is starting a joint degree course in computing and communications theory.

Three years hence, then, there should be a small but steady trickle of engineers with the necessary qualifications to implement data networks.

U.K. network

What is still in doubt is the form that a British network will take. Professor Engelbart made out a good case for this software and his operating systems, and on the evidence it is impressive.

His approach is that a network, or indeed any computer system geared to management—must be organised on the principle of "knowledge augmentation."

For the past ten years he and his co-workers have been developing what he describes as a "knowledge workshop system."

Though it may sound just represent a considerable part of another piece of jargon, his aim is to sit at the centre of a network with a system of programs and standard files that will provide the executive with a recent combination of reference library and calculating power that he can use, in conjunction with his company's own confidential files held on other computers, through his terminals.

Already the ARPANET includes computers of several different kinds to handle everything from mundane payroll or accounting tasks to scientific calculations, financial modelling, and even complete corporate modelling. It is technically simple to include machines that will control machine tools, a development that would open the way to a complete management system covering every facet of operation and automatically entering production data that is at present difficult to acquire and analyse.

Hopefully, they have done their sums accurately, and if the next two years show that they can make a profit without penalising one sector of customers, then the implications for pan-European computing by executives could be tremendous.

There is still a long way to go. The investment is enormous and is only justified by wide distribution of the heavy equipment and development costs.

But experts from the United States are adamant that come it must and that Britain, which

already has more terminals per computer than any country except the United States, will be the natural growth point for a comprehensive commercial data network for executives.

BY OUR LEGAL STAFF

YOUR BUSINESS PROBLEMS

The right to compensation

Owing to a series of quite unrealistic offers by the local Council, it has taken me three years to get up to a proper figure for some houses compulsorily purchased from me. During this time, of course, the values have risen greatly. Have I a right for any compensation for the loss resulting from the length of time taken? Would this come within the jurisdiction of the EEC Council of Human Rights?

You cannot obtain compensation at a value higher than that of the property when the Council went into possession. Unfor-

A termination payment

I have accepted premature retirement, and my contract of employment states that on termination I receive a sum equivalent to a year's salary. My employer has deducted tax. Was her right to do so?

Whether or not a termination payment at the end of an employment or "golden handshake" as it is colloquially described, is fully taxable or subject to relief,

the employer is bound to deduct if the property is included in tax. The employee then claims any relief to which he is entitled. If the payment is made under the terms of the contract of employment (which appears to be the position in your case), or under a similar agreement, the full amount is taxable. Otherwise, the special "golden handshake" provisions apply, which means that the first £5,000 is exempt and the balance is subject to "top-slicing relief."

Refusal of a new lease

The lease of my business expires in October and I have been informed by my landlord that he will be taking the premises back for his own business use. I have offered to pay a higher rent, but to no avail. Is there anything I can do?

Your lease is prolonged by the operation of Part II of the Landlord and Tenant Act 1954 until the process for terminating it in the statutory form has been completed. This requires the landlord to serve on you a notice in the standard (usually printed) form giving you at least six months' notice to quit (even if your tenancy was for a term less than certain). You can then apply for a new lease, but the landlord may be able to resist such an application if he can establish a genuine intention to occupy for his own business and that he is not a landlord by recent purchase (within five years). The law is highly technical on all these matters, and as soon as you receive a six months' notice to quit you should consult a solicitor. You need not do anything except tender rent at the old rate so long as you have no formal notice to quit.

Lost share certificates

Suppose that on the basis of a lost certificate shares are fraudulently sold; would the purchaser be entitled to be registered? What exactly do these indemnities required by registrars involve to those who sign them?

A sale "cum" dividend

I have been asked to return a dividend paid to me on some shares I sold, received after the date of the sale, but in respect of a period before it. Must I refund it?

The sole question is whether the sale by you of your shares was a safe "cum" the dividend in question or not. In view of the demand for the payment over by you of this dividend, we assume that it must have been—which is what we should expect. But you could raise the question specifically with the broker and see what he says.

Serving a blight notice

I understand that at some future date a house I own may be required for road improvement scheme. Can I in consequence only obtain the standard grant for improvements. Can the Council compelled to buy now and on what basis would compensation be given?

The bonus returns to favour

BONUSES are becoming more popular in the U.S. because many companies think they will make executives work harder. And with changes in tax laws and recent poor results from stock options, many executives are delighted with the quick cash.

"A 55 per cent bonus really motivates you," says Dale Wood, a Vice-President of Crutcher Resources, a Houston maker of pipeline equipment which started an executive bonus plan two years ago. "I am very interested in the immediate recognition of performance, and this provides it."

In a McKinsey compensation survey, 71 per cent of the companies had an annual executive bonus plan last year, up from 63 per cent two years earlier. In 23 of 31 industries surveyed last year, two-thirds of the companies had executive bonus plans. Four years earlier, that was true in only six of the 28 industries surveyed.

Some companies say they have devised bonus plans for middle management and other employees, as well as for top executives. And companies that do not offer bonuses to executives in general increasingly grant special bonus arrangements to lure individuals from other companies.

Even in banking and insurance, where bonuses were once rare, bonuses are arriving. "We are committed to a 15 per cent growth rate in earnings per share, and we think that a bonus helps to attract the kind of people to attain this," says Robert Feagles, Vice-President for personnel administration of First National City which set up a bonus plan this year.

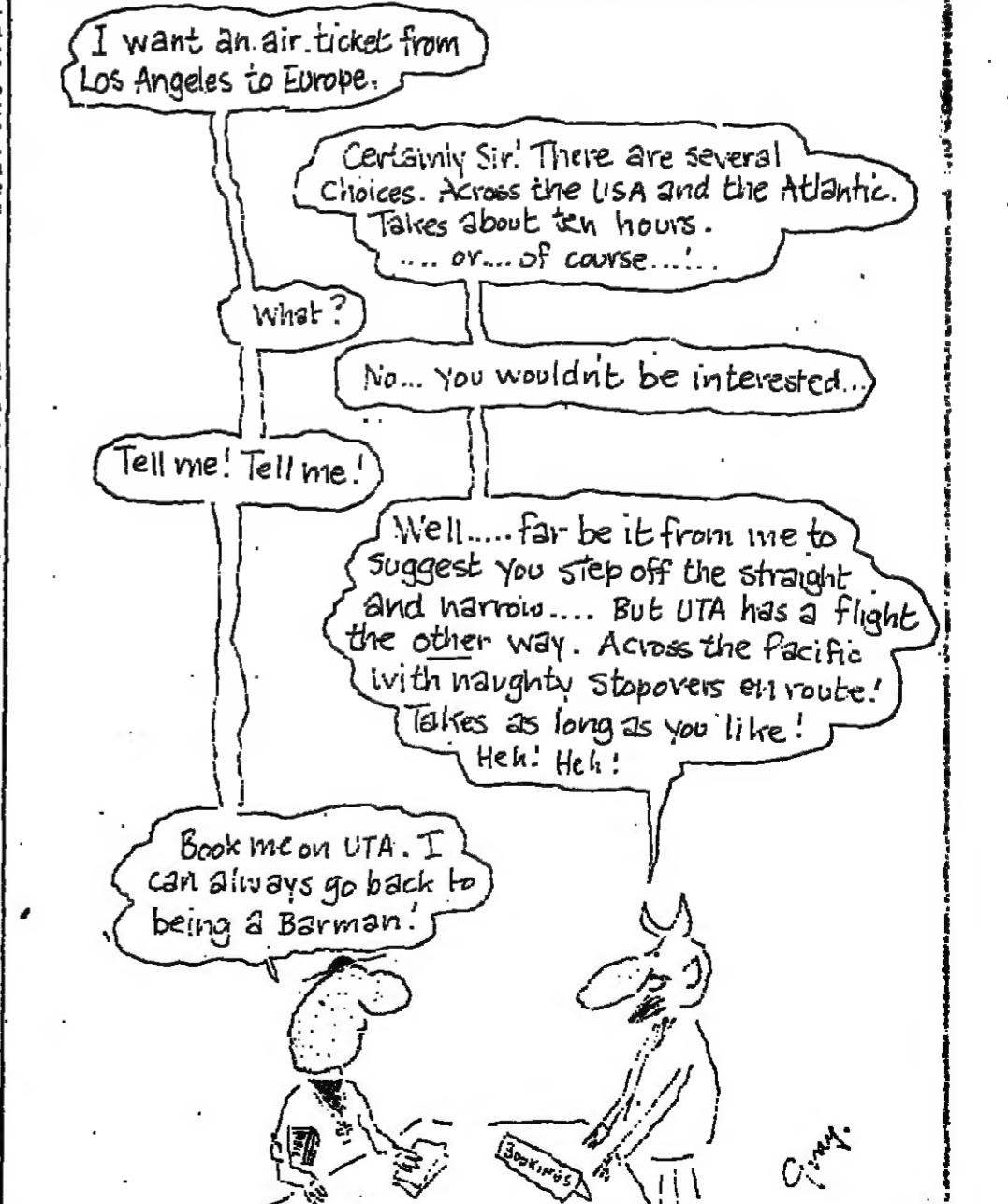
Astra Life and casualty established a bonus plan for 380 executives this year. In this fairly typical plan, directors first decide how much money will be made available for the bonuses. This sum depends on corporate performance but is limited to 1.5 per cent of pretax operating earnings. Directors and management then allocate money to most workers whenever they exceed normal performance expectations.

Bonuses can create problem however, especially if they are poorly administered. Paul McKinsey points out that if the money does not get distributed to the people who actually generate the profits, the bonus is a poor incentive.

Bonuses cost money. Astra expects its plan for general employees will cost \$1.5m, a fraction over a little under 1 per cent of its payroll—and the executive bonuses can total as much as 50 per cent of salary.

Some companies say they have evidence that the bonus plans are worth the cost. One of these is Progressive Industries, a photo-finishing concern. "People are making more money, and the company has made productivity gains of as much as 70 per cent," says Myron Stayman, Vice-President and Treasurer.

(AP-DJ)



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